

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Decision Maker: | Executive Member for Environment and Transport |
| Date: | 15 January 2019 |
| Title: | Concessionary Travel Scheme Contract |
| Report From: | Director of Economy, Transport and Environment |

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1. Recommendations

- 1.1. That the Executive Member for Environment and Transport gives authority to procure and spend up to the value of £1.5 million (for the maximum six year period), to be funded from the Concessionary Travel Scheme Budget and to enter into the necessary contractual arrangements (in consultation with the Head of Legal Services) to provide an Asset Management System/Host Operating Process System and a Customer Management System for the Hampshire Concessionary Travel Scheme (“the Scheme”), to commence on 1 October 2019 for an initial period of four years, with the option to extend for up to a further two years.
- 1.2. That the overall approach to procuring these services as set out in Section 4 of the report be agreed in principle and that the Director of Economy, Transport and Environment be given delegated authority to develop the detail in consultation with the Executive Member for Environment and Transport

2. Executive Summary

- 2.1. The purpose of this paper is to seek approval for a procurement process to award a new contract for an Asset Management System/Host Operators Processing System (AMS/HOPS) and a Customer Management System (CMS). Both systems are needed to support the County Council’s Concessionary Travel Scheme.

3. Contextual information

- 3.1. In April 2011 Hampshire County Council became the travel concessionary authority responsible for the English National Concessionary Travel Scheme in Hampshire.
- 3.2. As part of this transfer the County Council procured a CMS which provides a back office function for the scheme. This provides a means of recording the details of people who are receiving concessions under the scheme (bus passes and vouchers). The CMS supports the initial production of concessions, enables the replacement of lost/stolen cards and assists any annual renewals of

concessions which may be required. It also makes it possible to hot-list bus passes which enables bus ticket machines to reject bus passes which are no longer valid. The current contract for the CMS, which is held by Euclid, expires on 30 September 2019.

- 3.3. From 24 September 2012 it has been a legal requirement for Travel Concession Authorities (Hampshire County Council for the Hampshire Scheme) to ensure that they have access to another back office system (known as an AMS/HOPS). Prior to this date the government provided and funded a AMS/HOPS facility which offered this function for the Hampshire scheme. Travel Concession Authorities have subsequently been required to put their own arrangements in place and fund any costs associated with this themselves.
- 3.4. The AMS/HOPS is a core component in every ITSO (the national standards organisation for transport Smartcards) scheme, providing the pipeline through which all card information and data flows are managed. It stores all concessionary pass creation data, supports all transaction data (for example when a smartcard is used on a bus which has a smart reader, an electronic transaction is created and that data needs to be managed) and communicates with back office systems (AMS/HOPS) belonging to other schemes.
- 3.5. Most schemes employ a specialist provider to supply and manage their AMS/HOPS as it is a complex piece of software that requires ITSO certification linking to the ITSO security system, other schemes' AMS/HOPS, and all the devices in the local scheme, as well as any external local systems that process and manage data from the scheme. The current contract for the AMS-HOPS, is again held by Euclid and expires on 30 September 2019.
- 3.6. The current contracts for the CMS and the AMS/HOPS were awarded following the previous successful Local Transport Sustainable Fund bid through a joint procurement exercise with Southampton City Council and Portsmouth City Council.

4. Procurement Process

- 4.1. Frameworks exist nationally which can offer services to Concessionary Travel Schemes. As a first option the County Council will investigate the feasibility of purchasing the CMS and the AMS/HOPS from one of these existing frameworks. Subject to the terms of the framework meeting the specific requirements of the County Council, this may prove to be the most efficient method for the Council to purchase these services.
- 4.2. If no suitable framework can be identified to purchase against then the County Council will undertake its own procurement exercise in order to purchase the required CMS and AMS/HOPS services.
- 4.3. In order to award contracts for the CMS and AMS/HOPS it is proposed that the Executive Member for Transport and Environment give authority to procure and spend up to a value of £1.5 million (for the maximum six year period) to enter into a four year contract from 1 October 2019, with an option to extend for up to a further two years, for the provision of a CMS and an AMS/HOPS. The cost of these contracts will be met from the Concessionary Travel Scheme Budget.

4.4. It is proposed that the overall approach to procuring these services be agreed in principle and the Director of Economy, Transport and Environment be given delegated authority to develop the detail in consultation with the Executive Member for Environment and Transport. This should include building flexibility into the specification and contract award to allow the successful contractor to respond to ongoing developments and any future delivery requirements of the scheme.

5. Conclusion

5.1. In order to operate the scheme and comply with the legal requirements of Travel Concession Authorities (Hampshire County Council for the Hampshire Scheme), it is necessary for the County Council to be able to produce ITSO compliant smartcards. For this the council requires the use of both an Asset Management System/Host Operating Processing System (AMS/HOPS) and a Customer Service Management System (CMS).

5.2. This report seeks authority for a procurement exercise which will enable the County Council to purchase services for an Asset Management System/Host Operating Processing System (AMS/HOPS) and a Customer Service Management System (SMS) to support and enable the continued operation of the scheme.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

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| Hampshire maintains strong and sustainable economic growth and prosperity: | no |
| People in Hampshire live safe, healthy and independent lives: | yes |
| People in Hampshire enjoy a rich and diverse environment: | no |
| People in Hampshire enjoy being part of strong, inclusive communities: | no |

Other Significant Links

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| Links to previous Member decisions: | |
| <u>Title</u> Contract Awards for a Host Operator or Processing (HOPS), Customer Management System (CMS), Card production and Operator Reimbursement for Concessionary Fares Reference 5164 | <u>Date</u> 10 September 2013 |
| Direct links to specific legislation or Government Directives | |
| <u>Title</u> | <u>Date</u> |

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

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| <u>Document</u> | <u>Location</u> |
| None | |

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

The proposals in this report have been developed with due regard to the requirements of the Equality Act 2010, including the Public Sector Equality Duty and the Council's equality objectives. As the proposal should not amend existing arrangements for service users, their ability to receive and use their travel concessions, there should be no impact upon people with protected characteristics. This is because the proposed procurement exercise is concerned with maintaining the ability of users to receive and use their concessions.

2. Impact on Crime and Disorder:

2.1. The existence of a smart ticketing option will make it easier to hot list travel concessions which are no longer valid or that are being used inappropriately. This will help to prevent fraudulent use by unauthorised users of the scheme.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

The travel concessions encourage the use of public transport and so reduce the need for individual journeys.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The proposals support the provision of alternatives to the car, thereby contributing towards the increasing requirement for sustainable modes of transport.