

Appendix 4 – Recent Procurement experiences

Transport for Greater Manchester; Transport for the West Midlands.

Transport for Greater Manchester and Transport for the West Midlands are both city region transport authorities with funding for directly elected mayors. Both had successful bids for the Dept. for Transport's Transforming Cities fund. (The 2018 bid for the Greater Brighton region was not successful).

Manchester had a Mobike dockless pedal scheme which has closed but has provided some useful data on likely bikeshare demand.

TfWM had previously signed a contract with a provider which collapsed. Both authorities were in the midst of a re-procurement process when the Covid-19 crisis began.

1. TfGM

TfGM is using Transforming Cities funding to buy assets (fleet and infrastructure) and plan to pay an annual flat fee to service operator for a 5 year period. They have a procurement process due to start this summer. The first phase of the scheme will launch in Manchester, Salford and Trafford. The agreed fee will be offset by any revenue generated. The service operator is incentivised by sharing revenue from trips.

They acknowledge ongoing revenue funding is challenging but have accepted there will be a cost, and the project has strong support from the Metro Mayor. They recognise good practice is to take the risk because of the wider strategic considerations around public health, air quality, congestion and social distancing.

The contract allows them to establish a cost and framework agreement with a service provider to expand the scheme to other areas of GM but will not be part of first iteration of the business plan.

The scheme will have just 10% E-bikes to start. Some operators think it should be all e-bike and others advise starting with pedal and phasing in. They acknowledge that the 10% figure is a best guess, and that other UK schemes have struggled where a ratio of 10% of e-bikes has been used. (COMO UK is suggesting a minimum ratio in mixed schemes of 30%).

Having looked at the e-bike options, battery swappable e-bikes with servicing on site are the most likely model they will procure but they have not ruled out other options. They are also looking at how they can use their EV charging programme to piggy back Bikeshare charging hubs, either for service crew access or the general public. Their target for phase 1 is 1500 bikes covering a defined area.

TfGM held an open day for suppliers held last August. Six operators attended, but none were dockless electric providers. One provider who did attend runs mixed

schemes elsewhere and may have charging docks rather than swappable batteries as an option.

TfGM conducted a survey post Covid-19 lockdown with 25 providers via COMO UK and got 13 responses. All respondents said they were keen to keep going with procurement activity and all seemed to be positive about carrying bidding process forward. Some expressed concerns about the high demand for Bikeshare across the UK once lockdown eases and the economy reopens.

TfGM are hoping to start shortlisting soon and to make further decisions on negotiations with shortlisted bidders. The plan is to sign this year and start next summer with a six month inception period.

2. TfWM

TfWM includes England's second largest city Birmingham and several other towns and cities, so the population is much bigger than Greater Brighton and density is more varied. Birmingham does not currently have a Bikeshare scheme though residents can hire bikes for the day from leisure centres.

A Concession contract was signed with a provider but TfWM struggled to get buy in from some of their local authorities, particularly over hub sites. There were issues over ticketing systems and sponsorship proved harder to secure than envisaged.

The original business case suggested a scheme of 5000 bikes. The first phase was planned to cover Wolverhampton, Birmingham and Coventry.

TfWM's research suggests E-bikes double the ride rate but also double capital costs. However there is a real public desire in the region for them. They are in the specification for now but it may need to be part of a later phase.

As with Greater Manchester, TfWM will own the scheme's assets. They will use their Transforming Cities fund for capital investments. Management will be in house but contracts will be tendered for maintenance, redistribution, repair and security. The capability for bikes to integrate with the existing SWIFT cross modal ticketing platform (sometimes known as 'Mobility as a Service' or MAAS) will be part of the service agreement.

The first procurement round got 12 responses. Following the withdrawal of the original provider, it was decided to postpone further procurement for a year. The plan now is to get the new scheme up and running before the Mayoral elections in May 2021. All seven local authorities in the region are on board but TfWM acknowledge that the Transforming Cities funding being in place has made this much easier than the previous procurement exercise.

The new scheme has taken securing sponsorship out of the equation. The view now is that with the mix of authorities in a region with such varying population sizes and densities, one scheme was never going to work without direct subsidy.

The scheme will be a commissioned service managed in house by a team at TfWM. Customer service will go through TfGM's call centre to start with. They estimate 70% of enquiries can be dealt with by the call centre. More complex issues will be passed to officers.

The scheme will focus on a ride distance of 2-3 miles rather than last mile commutes. Universities and hospitals will be big trip generators and key partners in the scheme.

In terms of ticketing, the plan is for no annual memberships with 'Pay as you Go' only for a fixed minimum fee e.g. £1 every 30 mins via the Swift ticketing platform.

All bikes will be docked. The scheme will have the capability to geofence areas temporarily so they can create temporary hubs for a weekend festival.

A marketing strategy is required as part of their provider's contract.

TfWM have not looked at the arm's length option but agree that sources could be interesting. A strategy for dealing with vandalism will be written into the contract. They are looking for bikes built to resist criminal damage wherever possible but acknowledge that the Transport Authority will need to support costs around this and the onus cannot be solely on the operator.

