

[Name and address removed under
the Data Protection Act]

From: Gill Stevens
Communications Group
5th Floor
123 Buckingham Palace Road
London
SW1W 9HA

Tel:

29 October 2008

FREEDOM OF INFORMATION ACT ENQUIRY

I am writing to confirm that we have now completed our search for the information which you requested on 2nd October 2008. Your request was:

“Please can you provide details of all meetings (including dates, agendas and minutes) and correspondence (including letters, emails, notes of telephone conversations and memos) between senior civil servants at the Highways Agency (head of Department and above) and Stephen Ladyman and/ or senior executives from ITIS Holdings including members of its board: Sir Trevor Chinn; John Hewett and Steven Norris from June 2007 until now”

A copy of the information is enclosed and is set out as follows:

- | | |
|----------------|--|
| Appendix 1 | Copies of emails within the Highways Agency (in chronological order) |
| Appendix 2 | Note of Meeting between Derek Turner (and other Agency officials) & Stuart Marks |
| Appendix 3 (a) | Letter from Sir Trevor Chinn to Archie Robertson 11 th March 2008 |
| Appendix 3 (b) | Letter from Archie Robertson to Sir Trevor Chinn 3rd April 2008 |
| Appendix 3 (c) | Letter from Sir Trevor Chinn to Archie Robertson 4 th April 2008 |

In keeping with the spirit and effect of the Freedom of Information Act, all information is assumed to be releasable to the public unless exempt. We will, therefore, be simultaneously releasing to the public the information you requested, together with any related information that will provide a key to its wider context via our website:

<http://www.highways.gov.uk/>

The information supplied to you continues to be protected by the Copyright, Designs and Patents Act 1988. You are free to use it for your own purposes, including any non-commercial research you are doing and for the purposes of news reporting. Any other re-use, for example commercial publication, would require the permission of the copyright holder.

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<http://www.opsi.gov.uk/click-use/index.htm>.

If you are unhappy with the way we have handled your request, you may ask for an internal review. Details of our internal review process are enclosed. You should contact me if you wish to complain.

If you are not content with the outcome of the internal review, you have the right to apply directly to the Information Commissioner for a decision. The Information Commissioner can be contacted at:

Information Commissioner's Office
Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

If you have any queries about this letter, please contact me.

Yours sincerely

Gill Stevens
Head of Communications

Appendix 1

From: Nick Simmons
Sent: 29 October 2007 18:01
To: Willson, Richard (ID)
Subject: RE: Data Fusion
Importance: High

Richard,

As you know I have been speaking to Andy Graham about the future of the Data Fusion project.

Can we please meet and discuss the implications of these recent conversations ?

I am free next week to see you in Birmingham or London on Tuesday or Thursday at any time convenient to your schedule.

Regards,

Nick

From: Willson, Richard (ID)
Sent: 29 October 2007 18:06
To: 'Nick Simmons'
Subject: RE: Data Fusion

Nick

Thank you. Yes, very happy to meet. Just juggling my diary. Tuesday is not good for me but Thursday may be ok in London. I'll get back to you later in the week to confirm.

Richard

From: Willson, Richard (ID)
Sent: Mon 29/10/2007 18:08
To: Nick Simmons
Subject: FW: Data Fusion

Nick

Just a thought, I'm in London this Wednesday, 31 Oct and could meet any time in the morning. I need to be at our Buckingham Palace Road Office by 1pm.

Richard

From: Nick Simmons
Sent: 30 October 2007 07:10
To: Willson, Richard (ID)
Subject: RE: Data Fusion

Richard,

Is there any chance of a meeting later in the afternoon ?

If not then let's do something near Victoria around 12.

Nick

From: Willson, Richard (ID)
Sent: Tue 30/10/2007 09:39
To: Nick Simmons
Subject: RE: Data Fusion

Nick

My meeting is due to finish around 4pm so can meet after that. Would that be any good for you?

Richard

From: Nick Simmons
Sent: 30 October 2007 09:46
To: Willson, Richard (ID)
Subject: RE: Data Fusion

That would be great, thanks

We probably only need 15 minutes or so, would you like me to meet you at the HA offices or, if your catching a train back, would Euston be easier ?

Nick

From: Willson, Richard (ID)]
Sent: Tue 30/10/2007 10:00
To: Nick Simmons
Subject: RE: Data Fusion

Nick

Thanks, Euston would be fine with me! Where's best to meet?

Richard

From: Nick Simmons
Sent: 30 October 2007 10:47
To: Willson, Richard (ID)
Subject: RE: Data Fusion

There is a coffee bar beside he ticket office down towards the higher number latforms, can't remember the name but I willgetb there just after 4p and if you call me 0n xxxxxxxx when you arrive I will tell you the name!

(otherwise it is Starbucks outside in the cold dodging tramps!)

From: Pickett, Alan
Sent: 26 March 2008 09:45
To: Robertson, Archie
Cc: Schofield, Trevor; [Name removed under the Data Protection Act]
Subject: FW: TRAFFIC RADIO : FEEDBACK MEETING WITH TRAFFICLINK

Archie,

You are speaking to Trevor Chin on Friday. I attach a note of the meeting with Trafficlink. You will see in the last three paragraphs the assessment of risk and impact. ID are informed and a contingency plan is being developed.

Alan

From: [Name removed under the Data Protection Act]

Sent: 18 March 2008 16:22
To: Pickett, Alan
Cc: Schofield, Trevor
Subject: TRAFFIC RADIO : FEEDBACK MEETING WITH TRAFFICLINK

Alan

this brief note is to inform you on yesterday's meeting with Trafficlink. A HA file note of the meeting will be produced from the notes taken during the meeting.

Attendees from Trafficlink were;

Nick Somper CEO Trafficlink
Chris Baker, Finance Director and Company Secretary
Aileen Holohan, Group Financial Controller for ITIS Holdings

Trafficlink were invited on Friday to submit a list of issues they wished to discuss. The majority of these issues were related to the commercial aspects of other bids which we

Issues raised were

Combination of quality and finance (70:30): Nick read his earlier letter out which alleged that the HA was not open and transparent, and did not comply with the contract notice as the price was more than 30% of the weighted score. Nick argued that the finance score should be 'normalized' and that was the only fair way to deal with the finance and in normalizing the scores then Trafficlink should be the preferred Bidder. The HA did not accept his position and the advice from Eversheds is supportive of the HA position. The issue of transparency was discussed in an earlier HA letter and he did not wish to dwell on that aspect for too long.

GTN's quality score: Nick believed that GTN was not in a position to be awarded such a high a quality score. It was explained to Nick all bids were assessed against the same assessment criteria and all bidders had been treated fairly. His position was that the assessment criteria must therefore have been wrong.

GTN's supply chain and the prequalification: Nick raised the issue if the GTN not being in a position of delivering the service themselves but using sub-suppliers/contractors and was that compatible with the Prequalification process. HA explained that it received three expressions of interest to the contract notice, Trafficmaster, GTN and Trafficlink/UTC which were invited to make offers to the HA for the provision of this service. Nothing prevented part of the service being subcontracted, and so any tenderer was entitled to put forward a supply chain that could deliver the full service, but the tenderers remained responsible for the service delivery.

GTN subcontracting work to Trafficmaster: Nick asked if Trafficmaster was supplying goods to GTN. The HA explained that it could not discuss the detail of the offers received, but it could confirm that the three tenderers' offers had no conflicts of interest between the three bidding organizations. The HA explained that there was no conflict between the current offers, but after award there was nothing preventing subcontractor changes and the contract change mechanism allowed for that.

Sustainability Check Nick questioned if the HA had undertaken the sustainability check, as the programme allowed 3 weeks whilst it appeared the HA had completed this in a week. The HA confirmed that the stage 3 section of the assessment had been undertaken.

Value in the contract notice: Nick raised the issue that the estimate in the contract notice was £11.23m and suggested that was for the HA trunk roads only. The HA clarified that the estimate, prepared in June was the estimate at that time for the scope of the services listed within the contract notice (which included the potential Welsh, Scotland, NI and TfL expansions). With the current understanding of cost the HA used a budget of £15m as it reflected its current understanding of the cost of the contract. (the primary change being when Welsh, Scotland, NI and TfL may be incorporated.) This revised estimate was prepared prior to the tender return.

Nick argued that he was some 20 % under the Contract Notice value and some 3~% lower than the current cost. He believed the HA has misled tenderers on costs estimates as the contract notice value was for England only. It was not accepted by the HA that the contract notice was only for the HA service but also included all the scope of the services described in the contract notice.

It is considered, from the approach, position taken and the legal firm retained by Trafficlink that it remains a realistic possibility that they mount a formal challenge to the award being made to GTN. Trafficlink could obtain an interim injunction to prevent the award. We would then have the opportunity to challenge the interim injunction in the high court on advice of Treasury Solicitor (who would advise the HA on any formal dispute).

If we can not award the contract on or about 1st April then that will impact upon the mobilization period allowed for the transfer of the service to the new supplier (GTN), currently set as three months. This is to allow for the transfer of licences and test running of the service prior to go live on the 1st July 2008. The current limited service is provided via an SSR Framework from WSP who subcontract to Trafficlink. The service is due to finish on 30 June 2008.

If we are not in a position to award, the main risks to the HA relate to service provision beyond 30 June when the interim solution ends and the longer term access to the MUX

transmitters (DAB Radio) (which I have now confirmed are between WSP and the MUX Cos). We will need to consider the need to put in place another interim supplier to deliver the service or face the criticism of going off air. Also we need to send a signal to the MUX transmitters, if we don't then we may lose the MUX licence and in the London area capacity is very limited now.

regards

[Name removed under the Data Protection Act]
Highways Agency
Web: <http://www.highways.gov.uk>

From: LADYMAN, Steve
To: Turner, Derek
Sent: Tue Jun 10 20:03:25 2008
Subject: Itis

Derek

I know you are very busy at present but I wondered if you have had a chance to think about the email (below) that I sent?

There is no urgency but I do think that ITIS have some ideas that could be a real benefit to the HA. A half hour should suffice to give you a flavour of what they can do.

Steve Ladyman

Sent 14.5.08 :

Derek

I hope you are well. I keep tabs on things at the HA and you certainly seem to have your hands full - but that's no change.

Since I left office I've been helping ITIS Holdings and providing them with some advice. You will know of them as providers of real time traffic information - they have worked with the HA in the past.

I believe the services they are offering could be a major benefit for the HA. Some of the new ideas and technologies they are developing could have a big impact on the way you gather data, the way you provide information to drivers and the way you monitor and operate the new

Active Traffic Management systems. I think they might even save you a lot of money.

I'm not allowed to lobby Government or its Agencies until one year after I left office (June 25th). After that date I'd really like to bring some of my ITIS colleagues along to chat with you. Would you be prepared to give us an hour of your time, at a time and place convenient to you?

If so, I'll arrange for someone to call your office and make the arrangements. Let me know who we should contact.

Steve

Dr Stephen Ladyman
MP for South Thanet

From: Turner, Derek
Sent: 11 June 2008 01:19
To: 'LADYMANS'
Subject: Private

Steve

Sorry I have not got back to you. I tend to agree but feel I should check it out with the new CEx, which I gathered today from end of this month is Graham Dalton!!

Regards

Derek Turner
Network Operations Director

Sent Wednesday 8th October 2008:

Derek

Thanks for our meeting in September, I believe ITIS are talking to Cambridge Consulting and they are both planning a further meeting to take things forward.

When you are planning to be in London, could I buy you lunch? Besides it being a thank you for giving us your time I'd like to pick your brain about how you see traffic information fitting into future HA plans.

If that is acceptable, let me have a few dates (or get your assistant to ring my office on xxxxxxxx) and we'll sort something out.

Steve

Dr Stephen Ladyman
MP for South Thanet

From: Zuydam, Mel
Sent: 08 October 2008 13:39
To: Crosthwaite, Steve; [Name removed under the Data Protection Act]
Subject: RE: FOI REQUEST - ITIS HOLDINGS

Steve

I had a meeting with Steven Norris for an hour on 3 October; it was an informal catch up as I know him, there was no agenda and no minutes. We discussed everything from the credit crisis to digging up London's roads to replace the water mains. Happy for you to disclose

Regards
Mel

From: [Name removed under the Data Protection Act]
Sent: 09 October 2008 08:41
To: Crosthwaite, Steve
Subject: RE: HAIL Customer Response Form - Call # 644104 Customer FOI Request.

Steve,

I have searched through Denise's diary and only found one appointment where she met with ITIS Holdings.

On 7 April 2008 Denise met with Stuart Marks in her office in Birmingham. The meeting was scheduled from 2-3pm. There was no agenda or minutes/notes of the meeting.

On searching the correspondence I have found one e-mail relating to ITIS holdings, a letter from Sir Trevor Chinn to Archie Robertson - this is attached. (For info the letter was forwarded from Helen Nelson to Alan Pickett to provide a draft reply, Denise was copied in for information).

Regards,

[Name removed under the Data Protection Act]
PA/Denise Plumpton

From: Arrowsmith, Richard
Sent: 09 October 2008 13:03

To: [Name removed under the Data Protection Act]; Crosthwaite, Steve
Cc: Butler, Janet; [Name removed under the Data Protection Act]
Subject: RE: FOI REQUEST - ITIS HOLDINGS

Steve

To confirm I also attended the meeting and was tasked with arranging further discussions with ITIS as such an e-mail was sent on 30th September to the ITIS CEO which is attached, this clarified our intent to talk to them further on the issues discussed with Derek, however the e-mail clearly states that this should not be seen as an indication of commercial preference.

In addition, Liz Orme (Cambridge Consultants) have contacted ITIS for technical capability information during June 08 as part of the HATRIS evolution development package, I have included an itinerary of Liz Ormes contacts, however I don not believe these are relevant to the FOI as they did not involve any senior ITIS staff or Board Members

To my knowledge this covers all contacts through my group

regards

Richard Arrowsmith

From: Nick Simmons
Sent: 16 October 2008 14:54
To: Willson, Richard (ID)
Subject: Data Fusion

Richard,

Just to follow up on a couple of recent voicemail messages.

As I think you are aware, following the ITIS acquisition of TrafficLink I am now responsible for data supply sales across both business.

I understand that the Data Fusion project will not proceed any further but that the HA may continue to procure TrafficLink data on a stand alone basis. I am not clear if that will be in the form of an ongoing data supply or if the process and payment will be interpreted whilst procurement is confirmed. Can you please advise ?

It would also be helpful if we could have a conversation so as to ensure that we are agreed on issues like data use and costs.

I look forward to hearing from you,

Kind regards,

Nick

From: Richard Willson

Date: 14th October 2008

Subject: RE: FOI REQUEST - ITIS HOLDINGS

Steve, Sue

I've exchanged e-mails with Nick Simmons and met with him once since June 07. Copy of e-mails are attached.

The meeting was at Euston Station on 31st October, 2007 at about 4pm. It lasted about 15 minutes or so and was an informal discussion about how our Data Fusion project was going and its likely future direction. There were no formal notes of the meeting.

More recently, Nick Simmons e-mailed me on the 16th June 2008 about ITIS's acquisition of TrafficLink. I was away at the time and despite us subsequently leaving messages with each other, we never did actually speak.

Richard

Appendix 2

To: Richard Arrowsmith

MEETING WITH ITIS

You were present on 4 September when Derek Turner met with Stephen Ladyman MP, Stuart Marks of ITIS and Mike Short of o2 (who joined the meeting part way through). Stuart presented some slides on ITIS and its current and future activities.

In discussion, the following points were made:

- Stuart explained that as a result their work on tracking o2 devices in vehicle, there were opportunities in providing enhanced traffic information;
- The method of data collection and processes to anonymise it meant they were confident that there was clear compliance with privacy laws;
- Latest techniques meant that data collection was viable even when handsets were not in active use. Such data was already being collected for other purposes;
- National commercial systems were already in operation in Belgium and Israel and there was scope for the Agency to do a trial in England – particularly around origin/destination data and enhancing the service provided by the on-road hardware – e.g. MIDAS loops. Key areas to trial would be processing rates and update speeds for the HA's Regional Control Centres – the provision of information rather than raw data was key;
- There was a discussion about future developments in satellite navigation and platforms for improving real-time intelligent and location specific messages to drivers;
- Mike Short described o2's market position and penetration in the UK as well as predictions for future trends in mobile use;
- Discussions were happening around the future role of the National Traffic Control Centre, including around the levels of data planned to be provided by the Agency itself and the extent of enhancements that may be desirable.

[Name removed under the Data Protection Act]

Rec'd 16.15 11-3-08
From A.B.



As from: Marble Arch Tower, 55 Bryanston Street, London W1H 7AJ

11 March 2008

Archie Robertson Esq
Chief Executive
Highways Agency
5th Floor, 123 Buckingham Palace Road
London
SW1W 9HA

BY HAND

Dear Archie

Traffic Radio (HA Contract 114/2/1103)

I am writing to you with regard to the current contract renewal for Traffic Radio which is managed by Trafficlink, now a subsidiary of ITIS Holdings of which I am Chairman. We acquired Trafficlink in December following a long and close working relationship.

One of the areas that attracted us was the growing relationship that they have developed with the Highways Agency and in particular the Traffic Radio service that they have been providing to the Agency since its inception as a trial in June 2005 and now extended as a fully operational service.

During our pre-acquisition due diligence we spent some considerable time assessing Trafficlink's operational capabilities in radio and broadcast, and were easily assured that, in essence, the company was the leader in this field and well placed to secure the Traffic Radio contract when it came up for tender. This view was re-enforced by Trafficlink's successful re-tendering for the BBC traffic and travel broadcast contract that it secured for a further three years.

We recognised that, in order to deliver such a developed service, the Highways Agency will need to partner with a provider that has tried and tested operational expertise and resilience together with an advanced and highly developed regional data aggregation and broadcast network. We felt that, in the event that Traffic Wales, Traffic Scotland, Northern Ireland, Transport for London were to join with the Agency to create a truly composite UK wide traffic service, Trafficlink would be the only provider able to achieve the service levels required and to manage this level of delivery risk, reflecting its long experience of providing traffic information across all media in the UK. We believe that ITIS is in a unique position within the UK traffic and travel market to add real value to the Traffic Radio service and that this was very much in step with the Agency's growing desire to work more closely with the private sector as part of the delivery of its driver information strategy.

ITIS Holdings plc. Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP
Tel: +44(0)161 929 5788 Fax: +44(0)161 929 5074
www.itisholdings.com email: info@itisholdings.com

REGISTERED IN ENGLAND NO. 03461748

THIS IS NOT OF RELEVANCE AS HA CANNOT EVALUATE ONLINE

11/03/25

Prior to our acquisition of Trafficlink, we discussed in detail the nature of the Traffic Radio service with the Trafficlink management together with the appropriate way in which the tender submission should be priced. Considerable focus was given to the need to maintain the high level of service quality but also to ensure that we were sensitive as to price. To that end, our overall pricing is 20% below that stipulated in the original OJEU Contract Notice and slightly below the amount the Agency currently pays Trafficlink for the data and broadcast element of the service. *

We were therefore extremely surprised to learn at the end of January that a new entrant into the UK traffic market (Global Traffic Networks Inc) had been appointed Lead Bidder for Traffic Radio and even more perplexed to learn last week that they had been confirmed as Preferred Bidder. Given our understanding of Global Traffic Networks' lack of operational capability and experience of delivering services in the UK, I am sure you can understand our concern.

This concern, however, goes far deeper. I refer to the procurement process itself that has, in the view of those experts we have engaged to advise us, severely disadvantaged us.

The procurement process has shown a material lack of transparency and manifest error in the HA's application of the published weighting (70% in favour of quality: 30% in favour of price) and contract criteria set out in the OJEU Contract Notice. The method employed by HA Procurement to identify the current Preferred Bidder (Global Traffic Networks) has not, we are advised, been compatible with this quality/price weighting as an incorrect bias has been made in favour of price rather than quality.

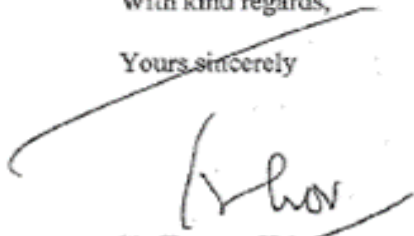
I do know that Trafficlink have consistently received positive feedback from the Agency about the quality and delivery levels that they have achieved with the current Traffic Radio service and that they, together with my colleagues at ITIS, remain absolutely committed to re-securing the contract and providing the Agency with the Traffic Radio service over the longer term.

I fully understand that you are still going through the procurement process but I am extremely concerned that it may, given the fundamental flaws in the process together with the operational shortcomings of the current preferred bidder, produce an outcome that is not in the best interests of either the Agency or its customers.

I would appreciate your taking an interest in this and hope that we will be able to talk further once you have had an opportunity to look into the matter.

With kind regards,

Yours sincerely



Sir Trevor Chinn
Chairman

Our ref:
Your ref:

Sir Trevor Chinn
Chairman
ITIS Holdings Plc
Marble Arch Tower
55 Bryanston Street
London
W2H 7AJ

Chief Executive
5th Floor
123 Buckingham Palace Road
Victoria
London SW1W 9HA

Direct Line: 020 7153 4700
Fax: 020 7153 4786

3 April 2008

Dear Sir Trevor,

PROCUREMENT OF THE HIGHWAYS AGENCY TRAFFIC RADIO SERVICE

Thank you for the opportunity to discuss this procurement with you by telephone on 28 March. This followed feedback meetings with all the bidders during the week commencing 17 March.

I undertook to look personally at the quality aspects of the tender specification and evaluation, and the strength of the conclusion reached regarding this part of the procurement.

I have now gone through the evaluation and asked some questions about it today. It might help to explain that the quality criteria are largely similar to those we use for all our conventional construction projects, with some specific criteria covering the technical aspects of the procurement. The criteria seem fine to me given the relative novelty of the proposition, and the specific products we, and our partners, are looking to have delivered.

Each quality submission is evaluated separately by three separate, competent, people in our organisation. They "score" both historical evidence of performance and the proposed approach to meet the requirement, but the quality score ascribed to the criteria is the lowest recorded between historical performance and proposed approach. The variations in scoring are, in fact, quite small, so there is nothing to suggest that the results are inappropriately skewed. Indeed looking over the detailed evaluation, the only conclusion I could reach was that the quality scores of all the bidders were relatively low compared to what a major construction company is able to score on one of our conventional construction tenders. I may muse on this further, but not within the scope of this tender.




Department for
Transport

I was also interested to explore another matter you raised with me – the position on sub-contracting. GTN are indeed intending to subcontract some of the work provided for in their bid. Their proposition in this regard looks well organised, and they have negotiated with reputable suppliers to provide contract cover. So I see no need to be concerned about this.

There is risk in any procurement, and that needs to be recognised, to lie with the right person to the contract, but also to be managed within the contract.

I appreciate Trafficlink is disappointed by the outcome, but am of course pleased that they do wish to do business with us, and our client partners. I conclude that the team has achieved a sound conclusion from which to move forward to a contract on.

Yours sincerely

a with best personal wishes


Archie Robertson
Chief Executive

cc. Trevor Schofield
Darius Plunton



As from: Marble Arch Tower, 55 Bryanston Street, London W1H 7AJ

4 April 2008

Archie Robertson Esq
Chief Executive
5th Floor
123 Buckingham Palace Road
London
SW1W 9HA

Dear Archie

Thank you for your letter of 3 April and for looking in to the procurement of the Highways Agency Traffic Radio Service. I accept your conclusion.

Kind regards,

Yours sincerely

A handwritten signature in blue ink, appearing to be 'G. Shaw' with a long horizontal line underneath.

