

PRESS RELEASE

25 March 2019

Report to the Flemish Parliament

Implementation of the ReTiBo project by De Lijn

In 2005, the Flemish regional transport company De Lijn decided to install a new registration, ticketing and on-board computer system in its buses and tram vehicles. The objective of this so-called ReTiBo project was to replace the magnetic card system. The company estimated the cost of this measure in 2009 at around 120 million euros. A contract with the ProFa consortium was not signed until 2011. The project should have been finished in November 2014. However, due to many delays, it was still not ready by the end of 2018. Meanwhile, the Court of Audit has calculated that the cost has increased by at least 41.9 million euros, including around 3 million euros of undue payments.

Start-up difficulties

De Lijn decided to set up the ReTiBo project in 2005, but a complete project organization was only developed in 2008. De Lijn concluded agreements with external partners who largely took charge of the project steering process. In 2009, De Lijn estimated the cost of the entire project at 120.1 million euros. Mid-2011, it finally contracted the ProFa consortium. The project was contractually to be carried out by the end of November 2014. The cost estimate was reviewed in 2015 to 149.8 million euros. However, the Court of Audit considers that this re-estimated amount is not correct as it does not involve some additional expenses.

Changes to the core contract

It immediately became clear that the deadlines could not be met because the existing software was not very useful and a more detailed analysis of the special specifications proved to be necessary. As the delay was growing steadily, De Lijn concluded three additional contracts. Doing so, De Lijn worked itself into a difficult financial position, partly by allowing limited legal penalty and compensation options. ProFa has got substantial compensation for the loss suffered or the extra work requested, but De Lijn could only collect small penalties. The total cost of the main contract has therefore increased furthermore. According to the Court of Audit, De Lijn has also made undue payments amounting to approximately 3 million euros.

Additional contracts

During the preparation and implementation of the project, De Lijn has also acquired other goods and services in addition to the core contract. Their price has also increased considerably compared to estimates, particularly because of delays and an underestimation of the need for further analysis. De Lijn has awarded some of these service contracts to the same external parties for the entire duration of the project. It has probably ensured continuity of service, but the remuneration granted to these service providers has not been linked to the achievement of objectives. This, combined with the steering role of these external stakeholders, does not guarantee the implementation progress of the project. In addition, De Lijn's reports on the payments to these external parties are lacking transparency.



Court of Audit

Other project-related costs

De Lijn has also incurred project-related costs that had not been budgeted. For example, because of the late completion of the project, it had to further use the old Prodata software and count travellers as it did before. One of the main costs, namely the assignment of its own staff, has not been addressed. As a result, these costs cannot be estimated.

New calculation of the total project cost

Because of the numerous changes to the core contract, a case of miscalculation and off-budget costs incurred, the various estimates and the total cost cannot be compared as such. The Court of Audit has recalculated the total cost of the project, which amounts to 159 million euros. The actual cost after application of delay penalties is 154.7 million euros. In addition, the Court doubts whether the project can be achieved within this budget of 154.7 million euros, as many costs could not be foreseen. In comparison with the initial estimate of 120.1 million euros, which the Court of Audit has adjusted to 112.8 million euros, this means that the ReTiBo project will have about a 41.9 million euros higher cost. By contrast, additional services or supplies rendered are estimated to add up to at most 7.5 million euros. The additional cost, mainly due to delays, can be estimated at 34.4 million euros. However, De Lijn has deleted some of the contractual product orders, without the possibility of measuring the potential impact of this deletion on the final outcome of the project. It is therefore impossible to ascertain whether the project will be fully completed as planned.

Minister's reaction

The Flemish minister of Transport and Public Works has agreed on the Court's recommendations with a view to a better project functioning.

Information for the press

The Court of Audit controls federal, community, regional and provincial public finances. It contributes to improving public management by providing parliamentary assemblies, managers and audited services with useful and reliable information, resulting from an adversarial examination. As a collateral body of Parliament, the Court operates independently of the powers it controls.

The report on the "Implementation of the registration, ticketing and on-board computer system (ReTiBo project) by De Lijn" has been sent to the Flemish Parliament. The full version (in Dutch) and this press release can be found on the Court's website (www.courtfaudit.be).