

**REPORT TO:** POLICY AND RESOURCES COMMITTEE – 14 MARCH 2016

**REPORT ON:** AWARD OF CONTRACT FOR SUPPLY OF SMART CARDS FOR SCOTLAND

**REPORT BY:** CHIEF EXECUTIVE

**REPORT NO:** 107-2016

**1. PURPOSE OF REPORT**

The purpose of this report is to seek approval for the award of contract for the supply of Smart Cards for the National Entitlement Card Scheme, managed by Dundee City Council NEC Programme Office on behalf of all 32 Scottish Councils.

**2. RECOMMENDATIONS**

The Committee is asked to approve the following:

- i. agree the outcome of the Tender Evaluation to procure smart cards for the National Entitlement Card scheme from the highest overall scoring bidder, except Card Austria GmbH, for a period of 2 years initially with optional extensions of 3 x 1 year.
- ii. note external funding will cover the costs and awarding this tender will realise a yearly saving of £48,000 for the National Entitlement Card scheme on the cost of procuring 400,000 cards per year.

**3. FINANCIAL IMPLICATIONS**

- 3.1 The value of the contract is estimated at £220,000 per annum (for 2 years initially with optional extensions of 3 x 1 year) and an estimated quantity of 400,000 units per annum although the tender includes facility to increase this quantity, should needs arise.
- 3.2 The Improvement Service administers the funds that cover the National Entitlement Card and have confirmed that funds have been secured to March 2018 as part of the Scottish Government's spending review.

**4. MAIN TEXT**

- 4.1 The National Entitlement Card (NEC) is funded by the Scottish Government to support high-quality easy to access public services for its 32 local councils. The Improvement Service (IS) coordinates Council operations and Dundee City Council (DCC) provides a managed service (called NEC Programme Office or NECPO) to support Councils and their service providers, and to manage contracts for goods and services to support NEC. There are approximately 2 million NEC holders in Scotland.
- 4.2 Following on from Policy and Resources Committee 8 June 2015, Article 'X NATIONAL ENTITLEMENT CARD', report 179-2015, where approval was granted for the NEC Programme Office to continue with the issuing of tenders for the National Entitlement Card scheme, a single stage open Invitation to Tender procedure for the provision of smart cards has now taken place and the evaluation outcome is that the best overall proposal was that of except Card Austria GmbH.
- 4.3 Five companies submitted a response to the Tender, all of which were evaluated based on combined scores for both price (30%) and quality (70%). The evaluation panel

consisted of two staff members from NEC Programme Office, one staff member from Transport Scotland and one staff member from Dundee City Council Corporate Procurement Team (Community Benefits Officer). The results were as follows:

<b>Bidder</b>	<b>Price Score 30%</b>	<b>Quality Score 70%</b>	<b>Overall Scores</b>	<b>Comment</b>
exceet Card Austria GmbH	27.8	70.0	97.8	
ESP Systex Limited (Trading as Systex), UK	26.4	68.6	95.0	
ARE CON GmbH & Co. KG , Germany	30.0	56.8	86.8	
SmartCitizen , UK	25.5	56.0	81.5	
Databac Group Ltd , UK	21.4	29.2	50.6	Wrong cards offered within the submission but scored for completeness

- 4.4 The Community Benefits from this contract includes two awareness raising/curriculum support events for each year of the contract. A curriculum support event can be, but is not limited to, information sessions related to this area of expertise, for relevant groups of school, college or university students exploring enabled options for awareness raising which would have the potential to be shared with other partner local authorities and learning/training organisations across Scotland.

## 5. **POLICY IMPLICATIONS**

This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality and Impact Assessment and Risk Management. There are no major issues.

## 6. **CONSULTATIONS**

Head of Chief Executive's Services, Executive Director of Corporate Services and the Head of Democratic and Legal Services have been consulted in the preparation of this report.

## 7. **BACKGROUND PAPERS**

None.

David R Martin  
Chief Executive

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