REPORT TO:       Policy and Resources Committee       - 18  March 2002

REPORT ON:       Computer Facilities  - Smartcard Tender

REPORT BY:       Head of Information Technology

REPORT NO:       222-2002


1.    **PURPOSE OF REPORT**

1.1   To seek Committee approval for acceptance of the recommended tender for Smartcard hardware.

2.    **RECOMMENDATIONS**

2.1   The Committee is recommended to :

      i)   approve acceptance of the Tender ITD/2002/02 amounting to £78,050 from Schlumberger Ltd. for the purchase Smartcard Hardware in Appendix 1;

3.    **FINANCIAL IMPLICATIONS**

3.1   The smartcard related facilities amounting to £ 78.050 will be met from the Capital Plan budget for 2001/2002

3.2   The annual recurring engineering maintenance costs associated with this additional level of purchases are estimated to be £ xxx in a full financial year.  This level of expenditure will be met from within the 2002/2003 revenue expenditure for the I.T. Division.

4.    **LOCAL AGENDA 21 IMPLICATIONS**

4.1   For the operation and maintenance of a wide range of I.T. equipment and support systems, consideration will be given in support of all service developments in line with the requirements of Local Agenda 21.

5.    **EQUAL OPPORTUNITIES IMPLICATIONS**

5.1   During the implementation of I.T. equipment and services, ongoing consideration will be given to the Council's Equal Opportunities Policies in the preparation of any resultant new Divisional practices affecting I.T. staff duties and opportunities

6.    **BACKGROUND**

6.1   The Policy and Resources Committee 14 January 2002 agreed a report (822-2001) on Citizen Account – Smartcard.  This recommended that a first phase of a multi-application smart-card scheme includes a pilot in one school of various applications, the taxi card scheme and the new bus pass.  This tender is related to equipment necessary for these applications.

6.2   The Council is awaiting a decision from the Scottish Executive on an allocation from the Modernising Government Fund 2.  Decisions are also awaited from partner organisations on the extent of their involvement. It is anticipated that when this funding

is in place a tender will be issued for a longer period.  This current tender is required to allow the pilot to commence this year and is without prejudice to an extended scope of contract being issued.

6.3　The tender includes the smartcards, readers and card management equipment.  The card management and equipment costs are a set up cost and will cover a range of other card applications.

6.4　The smartcard project is a critical element in the Council's commitment to joining up services for the Customer.

6.5　Seven companies were invited to submit tenders (ITD/2002/02) for the equipment detailed in Appendix 1; four were received, details being as follows:

| Company | Tender  Amount |
|---|---|
| Belvoir Carte Systeme Ltd | £93,277 |
| Schlumberger Sema | £78,050 |
| ESP Systex | Incomplete |
| Peapod UK | Incomplete |

Of the four firms tendered the  most economically advantageous tender is, following a like for like adjustment and quality and added value factors is Schlumberger Service.

7.　**PROPOSAL**

7.1　The successful tender recommended for approval is considered to be the most advantageous and represents the lowest cost option purchase at this time.

7.2　It is further recommended that a partnering arrangement be negotiated with Schlumberger Service to facilitate variation to the specified hardware with the aim of achieving a successful outcome within the scope of the contract.

8.　**CONSULTATION**

8.1　The Chief Executive and Director of Finance have been fully consulted in the preparation of this report and are in full agreement with its proposals.

**NOTE**

No background papers as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information were relied on to any material extent in preparing the above report).

Head of Information Technology  ………………………..……… Date  ………….……

ITD/2002/02

| Product Description | Quantity |
|---|---|
| Dual Interface Cards | 5,000 |
| Readers | 95 |
| Smart card printer | 1 |
| File Server + UPS | 1 |