

**ITEM No ...7.....**

**REPORT TO: POLICY AND RESOURCES COMMITTEE – 08 MARCH 2021**

**REPORT ON: AWARD OF CONTRACTS FOR SUPPLY OF CUSTOMER MANAGEMENT SYSTEM AND CARD BUREAU SERVICES FOR THE NATIONAL ENTITLEMENT CARD SCHEME**

**REPORT BY: CHIEF EXECUTIVE**

**REPORT NO: 94 - 2021**

**1.0 PURPOSE OF REPORT**

The purpose of this report is to seek approval for the award of contracts for the supply of a Customer Management System and Card and Bureau Services for the National Entitlement Card Scheme, managed by Dundee City Council NEC Programme Office on behalf of all 32 Scottish Councils.

**2.0 RECOMMENDATIONS**

2.1 Committee is asked to note the evaluation outcomes and agree the following contracts for:

- a) the Customer Management System from SmartCitizen Ltd for a period of 4 years initially with optional extensions of 2 x 1 year.
- b) the Card and Bureau Services from Euclid Ltd for a period of 4 years initially with optional extensions of 2 x 1 year.

**3.0 FINANCIAL IMPLICATIONS**

3.1 The value of the Customer Management System is estimated at £431,425 based on providing business as usual for up to 6 years as well as expansion and growth in line with the NEC Strategy.

3.2 The value of the Card and Bureau Services contract is estimated at £5,983,739 based on providing business as usual for up to 6 years as well as expansion and growth in line with the NEC Strategy.

3.3 Funding to cover this service and the new contracts has been agreed with Scottish Government, Transport Scotland and the Improvement Service.

**4.0 BACKGROUND**

4.1 The National Entitlement Card (NEC) is funded by the Scottish Government to support high-quality easy to access public services for all 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.

4.2 Over 2 million National Entitlement Cards (NEC) are currently in circulation, equating to 40% of the eligible population. The scheme has been managed by the National Entitlement Card Programme Office (NECPO) in Dundee City Council for fifteen years since its inception in 2006. 1.4 million use the NEC for concessionary travel and over 600,000 young people have been issued with a Young Scot card for discounts, reward points and the PASS proof of age scheme. Appendix 1 sets out key facts and figures on the card and its usage.

4.3 Dundee City Council makes extensive use this national asset, the NEC and its associated infrastructure, as a multi-application card helping drive forward our digital strategy across lifelong learning, young people, transport, health, culture and finance. This mix of local and national services is replicated to varying degrees across all Scottish local authorities – see [www.entitlementcard.org.uk/where-use-your-nec](http://www.entitlementcard.org.uk/where-use-your-nec).

- 4.4 The funding agreement fully covers all costs of administering the scheme i.e. the cost to Dundee City Council for staff and all supplies and services. The current establishment is 8 FTE posts.

## 5.0 PROCUREMENT PROCESS AND NEW CONTRACTS

- 5.1 Procurement was split into two separate lots, Customer Management System and Card Bureau Services via the Smart Applications Management National Procurement Framework <https://www.talktosam.co.uk/framework/>.

The National Procurement Framework went live in August 2017 and is a UK-wide resource for National Governments, Local Government, Passenger Transport Authorities, Other Public Sector Bodies, and Transport Operators to have direct access to a full range of ITSO and wider ticketing services and goods, without having to complete individual, costly and time-consuming OJEU procurement exercises. The Framework is comprised of 13 individual Lots, and supports over 45 Suppliers. Each Lot was designed to work in conjunction with other Lots, enabling an optimal supply chain to be built, or to function as a standalone Lot to provide an individual service or good, depending on the need of the Member.

### Customer Management System

- 5.2 Six companies were invited to respond to the Framework mini competition for the Customer Management System. Three companies submitted a response. The submissions each included a completed online cyber security assessment report, set up by NEC Programme Office for this procurement, using the Scottish Government's Cyber Security Procurement Support Tool (CSPST) <https://cyberassessment.gov.scot/>
- 5.3 The evaluation was based on combined scores for both price (40%) and quality (60%). The evaluation panel consisted of three staff members from NEC Programme Office, two staff members from Transport Scotland, two staff members from the Improvement Service and one staff member from Smart Applications Management. The results were as follows:

Bidder	Price Score (40%)	Quality Score (60%)	Overall Score	Comment
ESP Systex Holdings Limited	0%	55.0%	55.0%	
SmartCitizen Limited	40%	53.5%	93.5%	
Unicard Limited	0%	56.9%	56.9%	
ACT Ltd	-	-	-	No submission
Ecebs Ltd	-	-	-	No submission
Novacraft Ltd	-	-	-	No submission

- 5.4 The evaluation outcome is that SmartCitizen Limited was identified and agreed to be the preferred supplier for the Customer Management System Lot.

### Card and Bureau Services

- 5.5 Five companies were invited to respond to the Framework mini competition for Card and Bureau Services. Two companies submitted a response. The submissions each included a completed online cyber security assessment report, set up by NEC Programme Office for this procurement, using the Scottish Government's Cyber Security Procurement Support Tool (CSPST) <https://cyberassessment.gov.scot/>
- 5.6 The evaluation was based on combined scores for both price (40%) and quality (60%). The evaluation panel consisted of three staff members from NEC Programme Office and one staff member from Smart Applications Management. The results were as follows:

Bidder	Price Score (40%)	Quality Score (60%)	Overall Score	Comment
ESP Systex Holdings Limited	32.1%	54%	86.1%	2 different priced cards offered
	36.7%		90.7%	
Euclid Limited	40%	55%	95%	
Burrall Infosmart (Paragon)	-	-	-	No submission
Novacroft Ltd	-	-	-	No submission
SmartCitizen	-	-	-	No submission

5.7 The evaluation outcome is that Euclid Ltd was identified and agreed to be the preferred supplier for the Card and Bureau Services Lot.

5.8 A procurement oversight group consisting of the following officers was established to monitor progress of both procurements and met monthly

- Head of Chief Executive's Services (Dundee City Council)
- Senior Manager NECPO Programme (Dundee City Council)
- Head of Concessionary Travel & Integrated Ticketing Unit (Transport Scotland)
- Business and Operations Manager (Transport Scotland)
- Head of Procurement (Transport Scotland)
- Head of Digital Public Services (Improvement Service)
- Head of Operations, myaccount (Improvement Service)
- Programme Manager, Digital Public Services (Improvement Service)
- Policy Lead for Scottish Government Digital Identity (Scottish Government)

## 6.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no significant issues.

## 7.0 CONSULTATIONS

7.1 The NEC Procurement Oversight Group and officers from Dundee City Council's procurement and legal teams were consulted on the outcome of each appraisal.

7.2 The Council Management Team were consulted in the preparation of this report.

## 8.0 BACKGROUND PAPERS

None

GREGORY COLGAN  
CHIEF EXECUTIVE

4 MARCH 2021



ALL OF SCOTLAND USING THE SCHEME

115,000,000+ ANNUAL TRANSACTIONS ACROSS THE COUNTRY

@NECSCOTLAND

EVERY YEAR THERE ARE OVER...

- 1.5 MILLION LEISURE
- 50 MILLION CASHLESS CATERING
- 63 MILLION TRAVEL
- 1 MILLION FLEXI-TIME

...TRANSACTIONS RECORDED USING NEC

ONE CARD - MANY SERVICES

# NATIONAL ENTITLEMENT CARD

WWW.ENTITLEMENTCARD.ORG.UK

