

By: John Burr, Director of Highways and Transportation

To: Bryan Sweetland, Cabinet Member, Environment Highways and Waste

Subject: Concessionary Travel Schemes Smartcard Procurement.

Reference: 11/01812

Classification: **Unrestricted** (Main Report only)*

***Appendix 1 to this report is Exempt: Not for publication** by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

Summary:

KCC has a statutory duty to administer the national concessionary travel scheme to provide free off-peak local bus travel for the elderly and disabled (ENCTS). 'Smart' passes are issued through this scheme and journeys are recorded electronically on ticket machines. In addition KCC administers the Kent Freedom pass scheme for young people also with smart passes. Three back office systems are essential to administer these schemes; a Smart Customer Record Management system, a Card Production Bureau and a HOPS Smart Ticketing Management System (which records journeys made by Smart tickets), the contracts for all of which expire at the end of March 2012. A procurement exercise has been undertaken and approval is sought to award the new contract.

1 Introduction

- 1.1** In 2008 KCC procured the necessary smart technologies to administer the national concessionary travel scheme to provide free off-peak local bus travel for the elderly and disabled (ENCTS). The current contracts are due to expire on 31 March 2012 and a procurement exercise to identify a new supplier has been underway since mid 2011.
- 1.2** Three back office systems are essential to allow KCC to fulfil its statutory duty to administer the ENCTS scheme as well as the Freedom scheme:
- CMS - Card Management System;
 - Card Bureau - Prints and distributes cards to applicants; and
 - HOPS - Records all journey transactions.
- 1.3** It is proposed to award one contract to a single supplier for the provision of the three systems to ensure systems compatibility. The new contract will begin on the 1 April 2012. This report seeks approval to award the contract.

2 Background

- 2.1** Kent County Council made significant progress in developing Smartcards over the last three years;
- KCC has worked with bus operators to fund electronic ticket machines through a match funded Grant Agreement. This has resulted in approximately 600 new 'smart' units being installed on buses.
 - There are now two smartcard products in circulation in Kent; the statutory English National Concessionary Travel Scheme bus pass, which currently has 270,000+ pass holders and 25,000 Kent Freedom Passes. Smart Kent Freedom Passes were introduced in 2011, following a successful trial of 3,500 passes in 2009/2010.
- 2.2** These developments have enabled bus passengers to use their Smartcards to 'touch on' when they board a bus, rather than show their pass to the driver who would have to log the journey manually.
- 2.3** The award of the new Smartcard contract will not only enable KCC to fulfil its statutory duty to administer the ENCTS, but will also support the further development of the Kent Smartcard.
- 2.4** The aspirations of the Kent Smartcard have been covered in the tender specification, with the successful tenderer required to work with the council towards developing a single system. In order to create the specification ICT and the Customer & Communities department has been engaged as part of the development work. The new smartcard contract will be ITSO compliant and is therefore a national format, which supports multi-application smartcards.

3 Smartcard System Procurement

- 3.1** A full OJEU procurement has been undertaken with support from KCC's procurement and legal teams.
- 3.2** Following the advertisement of the Invitation to Tender (ITT), which was released through the South East Business Portal in December 2011, Tenders were submitted to KCC on 23rd January. Following the evaluation process three potential suppliers were called to interview.
- 3.3** The final results of the procurement exercise are presented in Appendix 1 of the decision report. Appendix 1 is exempt from publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. Approval is sought to award the new contract as outlined in Appendix 1.

4 Recommendation

The Cabinet Member for Environment, Highways and Waste is asked to:

- approve the award of the Concessionary Travel Smartcard contract in the context of the OJEU procurement exercise set out in Appendix 1 (exempt).

Background Documents: None

Contact Officers:

Tom Pierpoint

Public Transport Team Leader

✉ tom.pierpoint@kent.gov.uk

☎ 01622 221303

Tom King

Smartcard Project Officer

✉ thomas.king @kent.gov.uk

☎ 01622 696828