



To: Executive Councillor for Customer Services and Resources: Councillor Julie Smith
Report by: Julia Minns
Relevant scrutiny committee: Strategy & Resources 14/10/2013
Scrutiny Committee
Wards affected: All Wards

**RE-TENDERING OPTIONS FOR DEBIT AND CREDIT CARD (MERCHANT ACQUIRER) CONTRACT
Not a Key Decision**

1. Executive summary

The Council's contract for the provision of Chip and PIN terminals and authorisation of debit & credit card transactions is due to expire in January 2014 and will need to be either re-tendered or extended.

The current contract has the option to be extended for a further eighteen months, alternatively there are a number of framework contracts available for use by the Council . The decision on the preferred provider for this contract will need to be made in December 2013, i.e. before the next meeting of this committee. Delegated authority is, therefore, being sought for the section 151 officer to either award a new contract, or extend the existing contract, based on which option it is determined will provide the best value for the Council.

2. Recommendations

The Executive Councillor is recommended:
To delegate authority to the Council's section 151 officer to award the Merchant Acquirer contract to the contractor that is able to provide the best value, whether, following analysis by officers, that means extending the current contract or placing a new contract from January 2014.

3. Background

3.1 The current contract is due to expire in January 2014 after an initial contract period of two years and one extension period of six months.

The contract is currently let, via the ESPO framework contract 977, to Worldpay (UK) Ltd, part of the Streamline group.

- 3.2 The costs associated with the Worldpay contract consist of the commission charges payable on transactions along with the monthly rental charges for the Chip and PIN terminals. In such contracts, the rental charges are normally fixed whereas the commission charges will vary for each contract, depending on the volume and value of the expected transactions.
- 3.3 In the last twelve months around 90,000 transactions totalling £9.4m have been processed under the current contract. The total charges for the period were approximately £64,000.
- 3.4 There are a number of framework contracts that the Council could potentially use to provide this service.
- 3.5 By assessing the tariff charges on these framework contracts the Council will be able to arrive at a decision to either;
 - Let a new contract under a suitable framework agreement, or
 - Extend the current contract again and undertake a full tender process.
- 3.6 As this work will need to be carried out before the next meeting of the Strategy & Resources Committee it will be necessary for the decision to either be made as an urgent action or delegated to an authorised officer.

4. Implications

(a) Financial Implications

Comparison of tariffs shows the existing contract to be competitive in the marketplace.

Extending the contract will not realise any savings but will allow the Council to continue at the current tariffs, whilst re-letting the contract could lead to a change in costs. Potentially these costs may increase but the evaluation process will take into account the tariff rates as a key element in reaching a decision.

(b) **Staffing Implications**

None

(c) **Equal Opportunities Implications**

No staffing implications have been identified.

(d) **Environmental Implications**

None

(e) **Procurement**

If a new contract is awarded, this will be carried out via the appropriate framework contract. Any extension to the current contract will be in line with the current terms and conditions.

(f) **Consultation and communication**

None taken.

(g) **Community Safety**

None

5. Background papers

None

6. Appendices

None

7. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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