



To: Leader of the Council
Report by: Director of Resources
Relevant scrutiny committee: Strategy and Resources Scrutiny Committee 11/10/2010
Wards affected: All Wards

MERCHANT ACQUIRER CONTRACT (CHIP AND PIN) Not a Key Decision

1. Executive summary

- 1.1 The Council's existing contract for Merchant Acquirer services (i.e. the bank processing of debit and credit card transactions through stand alone Chip and Pin terminals) expires on 31st March 2011.
- 1.2 This report seeks Executive Councillor approval to undertake, in conjunction with ESPO, the re-tendering and award of the Council's Merchant Acquirer Contract, in line with Part 4G (paragraph 3.1) of the Council's Constitution on contracts – the Contract Procedure Rules.

2. Recommendations

The Executive Councillor is recommended:

- 2.1 To authorise the officers to undertake, in conjunction with ESPO, the re-tendering and award of the Council's Merchant Acquirer Contract (Chip and Pin) for a period of 2 years from 1 April 2011 (with the option for the Council to renew for a further 2 years), subject to the preferred tender price being within 15% over the estimated contract value.

3. Background

- 3.1 The current Merchant Acquirer contract was won by HSBC Bank plc for an initial period of 2 years, commencing on 1 April 2007. On 17 November 2008, this Committee subsequently approved a 2-year extension, as allowed for under the contract terms, to run from 1 April 2009.

- 3.2 This contract gives various Council departments the ability to process debit and credit card transactions using stand alone chip and pin terminals and for the Council's Box Office to process transactions using their bespoke terminals. In addition, this contract now provides for the processing of Folk Festival ticket sales over the internet.
- 3.3 An initial contract period of two years is still considered to be appropriate as this maintains the flexibility for the Council to change supplier should it consider appropriate to do so.

4. Implications

4.1 Financial

4.1.1 The estimated total contract value, for the full 4-year term, is £202,000 (i.e. £101,000 for each 2-year period). Departments will already have base budgets for such costs, although it is not known at this stage whether the quotations to be received are likely to show significant changes to any of the transaction charges.

4.1.2 There are no significant adverse VAT implications to this contract.

4.2 Staffing, Equal Opportunities, Environmental and Community Safety

4.2.1 None

4.3 Procurement

4.3.1 The Council will be using the appropriate ESPO Framework Agreement for this contract.

5. Background papers

5.1 There are no background papers to this report.

If you have a query on the report please contact:

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