



To: Executive Councillor for Climate Change and Growth: Cllr Clare Blair

Report by: Head of Specialist Services

Committee: Environment Scrutiny Committee 05.10.10

Wards affected: All

PAYMENT PROCESSING SERVICES FOR CITY COUNCIL CAR PARKS

Key Decision

1. Executive summary

The Executive Councillor is asked to approve a project to procure and award a contract to provide an authorisation and processing service for cashless parking charges on the City's off-street car parks. The total cost of the contract is approximately £500,000 over five years, and this is to be funded from car park revenue.

2. Recommendations

The Executive Councillor for Climate Change and Growth is recommended to:

- 2.1 Authorise the Director of Environment to tender and, in consultation with the Director of Resources and the Head of Legal, to award a new contract for three years, with the option to extend for up to a further two years via two annual options) for the processing of cashless parking payments on the City's off-street car parks from September 2011.

3. Background

- 3.1 The facility to pay for parking charges by debit and credit card was introduced into Cambridge's car parks in January 2005, when new pay-on-foot equipment was installed at the (then) Lion Yard Annex

- This facility was extended to Park Street car park during 2005 and to the new Grand Arcade car park in May 2007.
- 3.2 In December 2008 new debit and credit card payment facilities were introduced at the Grafton Centre and Queen Anne Terrace car parks, following the tender for a new centralised pay-on-foot system at the multistorey car parks and the new system was extended to Park Street car park. As a consequence we now have two different types of equipment across the car parks at present, each with its own specific technical solution for authorising and processing credit and debit card transactions.
 - 3.3 In April 2009, the facility to pay for parking charges by debit and credit card was implemented for the first time on pay and display car parks at Castle Hill and Adam and Eve Street car parks.
 - 3.4 The level of transactions and the value of payments made by credit and debit cards in Cambridge's car parks has grown consistently since the facility was introduced, reflecting both customers' increasing propensity to use cashless means of payment, and the rising costs of parking fees. Latest figures indicate that approximately 18% of all payment transactions are now made by credit and debit card, accounting for 27% of sales income. At the Grand Arcade car park, take up is highest at 26% of all transactions (35% of income)
 - 3.5 At present two different agencies authorise and process credit and debit card payments on the City's car parks reflecting the two different makes of equipment in use). At the Grand Arcade, payments are processed without customers having to enter a PIN number. Everywhere else, a 'Chip and Pin' solution is in place, where customers must enter their PIN before payment is authorised.
 - 3.6 Improvements in payment technologies are now available that can offer a range of ways to pay without using cash, including on-line payment, payment by phone and contactless, 'Wave and Pay' technology. It is proposed to future-proof our current parking systems to enable full advantage to be made of this potential.
 - 3.7 New legislation comes into effect from December 2011, which prohibits the use of credit and debit card payment processing without the use of a Chip and Pin system. The current control equipment at the Grand Arcade will not be compliant with the new legislation after December 2011. It is therefore proposed to replace or upgrade the Grand Arcade parking control equipment, and to modernise the payment systems across all the multistorey car parks in advance of this deadline. In practice, this will require the procurement and installation of suitable equipment at the Grand Arcade by September 2011, in time for the Christmas 2011 trading period.
 - 3.8 A waiver has been approved under Section 5.2.3 to extend the current card processing arrangements in all the car parks until September 2011.

- 3.9 Cambridge City Council has approached the Eastern Shires Purchasing Organisation (ESPO) to assisting in tendering for a new contract.
- 3.10 The option to 'do nothing ' was considered, but discounted, as it would
- Lead to rising equipment maintenance costs, and increasing costs of cash collection,
 - Mean that from January 2012 it would no longer be possible to accept payment by credit or debit cards at the Grand Arcade car park, which is likely to be unpopular with customers.

4. Implications

(a) Financial Implications

The approximate cost of the contract to be procured is £500,000. The alternative is to remove the facility to pay by debit and credit card and incur increasing costs of equipment maintenance and cash collection, and reduce customer service.

(b) Staffing Implications

None

(c) Equal Opportunities Implications

None

(d) Environmental Implications

None

(e) Community Safety Implications

Reducing cash volumes in pay machines around Cambridge city centre increases the security of the City Council's parking income, and reduces the risk of city centre parking equipment being a target for theft and vandalism.

5. Background papers

Environment Scrutiny Committee Nov 2007- Supply, installation, maintenance, support and upgrade of car park Pay on Foot and Associated Control Equipment.

Record of Executive Decision (Ongoing payment processing services)
27.11.09 .

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