

CAMBRIDGE CITY COUNCIL

Record of Executive Decision

Upgrade to card processing facilities within Car Parks

Decision of: Councillor Blair Executive Councillor for Climate Change and Growth

Reference: 10/Env/U6

Date of decision: 15 December 2010 **Recorded on:** 23 December 2010

Decision Type: Non Key Decision

Matter for Decision: The Executive Councillor is asked to recommend this capital scheme (which is not included in the Council's Capital Plan) for approval by Council and for incorporation in the medium term strategy.

Executive councillor is asked to recommend expenditure of these funds once incorporated in the capital plan and to recommend entering into a card processing contract

- The total capital cost of the project is £80,000, and it is proposed that this funded from LAPE surplus
- There are no revenue implications arising from the project.

Procurement recommendations:

- The Executive Councillor is asked to approve the carrying out and completion of the procurement of installation of upgraded card processing facilities incorporating the latest chip and pin technology at all of the Cambridge City Council car parks.
- If the quotation or tender sum exceeds the estimated contract value by more than 15% the permission of the Executive Councillor and Director of Finance will be sought prior to proceeding.

Why the decision had to be made (and any alternative options):

The project is to install and upgrade Cambridge City Council's car parks existing pay stations and systems software with the latest chip & pin equipment in order to be compliant with Payment Card Industry (PCI) regulations that will come into effect as of December 2011. PCI Compliance is the Payment Card Industry Data Security Standard, a worldwide benchmark mandated by card schemes for the protection of cardholder identity and transaction information.

If Cambridge City Council is not compliant with the standard the authority could face substantial fines imposed by card schemes or be permanently barred from accepting card payments, should a security breach occur.

In addition to the above deadline the bank that handles the card payments for the Grand Arcade car park told us that we will require a waiver, which will only be grant until the end of March 2011, in order that we can continue to accept card payments using information obtained from payment cards magnetic stripes rather than the newer standard of obtaining information from the cards chip and the inputting of the personal identification number (PIN).

If we are given the go ahead by committee on the 11th January we would be able to order the chip and pin equipment, this takes 6+ weeks to manufacture and then fitting must be arranged. It is therefore just about possible to get the equipment installed in time. If however there is any slippage within this program, such as the inability to get the correct parts from Japan in time, there is a real and unacceptable risk of no longer being able to accept payments by card for parking fees. It is therefore prudent to accelerate the process and ask for an urgent committee decision.

Various alternatives to an upgrade were considered:

- To do nothing, meaning that we would be unable to accept any card payments after March 2011 for Grand Arcade and after November 2011 for the other car parks due to being non-PCI compliant. This would have a significant detrimental impact on our customers. Up to 35% of car parking fees are paid by card and this figure is expected to increase
- Replace all of our current equipment within the car parks with new equipment that would be PCI

compliant but at a considerable cost to the authority

Having considered the alternatives, an upgrade of the card processing equipment is recommended as the most cost effective solution.

The Executive Councillor's decision(s):

The Executive Councillor approved the carrying out and completion of the procurement of implementation of chip and pin payment equipment upgrade at all of the Cambridge City Council car parks involving the Council entering into three contracts as follows:

1. The chip and pin equipment for the Grand Arcade car park will be sought from the existing supplier EA Amano, to maximise the benefit of the Council's maintenance agreement with this contractor. The value of this element of the project is estimated to be £40,000
2. It is proposed that the upgrade of the equipment at the Council's other car parks will be carried out by Parkeon to ensure compatibility with the existing equipment and to maximise the benefit of the existing maintenance agreement. The value of this element of the project is estimated to be £40,000
3. The upgrade of Grand Arcade involves entering into a contract for a period of approximately 8 months for the delivery of processing card payments to cover the period from installation of the chip and pin equipment to the completion of a card payment processing tender exercise. This tender will appointment a single supplier to manage the card payments collectively across all car parks. The approximate value of the temporary contract is which is expected to last for approximately 8 months is £34,850.

If the quotation or tender sum exceeds the estimated contract value by more than 15% the permission of the Executive Councillor and Director of Finance will be sought prior to proceeding.

Reasons for the decision:

The project will allow for all Cambridge City Council's car parks to continue taking car-parking payments by card and thereby protect substantial potential future

revenue streams to the Council from car parking.

**Scrutiny
consideration:**

The Chair and Spokesperson of Environment Scrutiny Committee were consulted prior to the action being authorised.

The Leader will also be consulted, as the project is not included in the Capital Plan.

Report:

A report detailing the background and financial considerations is attached.

**Conflicts of
interest:**

None

Comments:

The Leader was consulted and approved, inclusion in the capital program (23 December 2010).