



## Portfolio Holder Report

The portfolio holder will make a decision on this item after seven days have elapsed (including the date of publication).

Report of:	Portfolio Holder	Date of publication
Mark Billington, Service Director People and Places	Cllr Alan Vincent, Resources Portfolio Holder	17 August 2017

### Renewal of the Council's Merchant Acquiring Contract

#### 1. Purpose of report

- 1.1 To agree the renewal of the Council's Merchant Acquiring Services (card payments) contract with Worldpay for a two year period to take effect once approval has been given.

#### 2. Outcomes

- 2.1 The delivery of a cost effective Merchant Acquiring contract that will enable the public to make card payments to the council.

#### 3. Recommendation/s

- 3.1 The renewal of the council's Merchant Acquiring contract with Worldpay for a two year period with immediate effect.
- 3.2 That the approval to renew the Council's contract with Worldpay is dealt with under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules on the grounds that exemptions may apply regarding the use of framework agreements that necessitates not having to go out to tender and that the services will provide the Council with best value for money.

#### 4. Background

- 4.1 Crown Commercial Services (CCS) have a Framework RM3702 in place for Merchant Acquiring. Lot 3 of that framework, which is the most suitable for the council's needs, has three suppliers.

**4.2** A further competition was run using the framework to exhaust any potential for additional savings. However, the three suppliers all remained within their published Lot 3 prices.

**4.3** Under the prices quoted in Lot 3 our current provider, Worldpay, are the most expensive option. However, consideration has to be given to the implementation costs involved if we switch from our current supplier. If we changed our supplier then our current cash receipting software provider, Paris, have stated that it would cost at least £6,000 to transition across. Taking this into account, it then becomes financially acceptable to retain Worldpay as the difference in the prices is largely negated by the implementation costs and there are valid operational reasons for retaining the current supplier for the next two years.

## **5. Key issues and proposals**

**5.1** A new supplier would offer us very limited financial benefits in the proposed two year contract period since the current CCS Framework expires in February 2018 and may not be extended in its current form.

**5.2** A further consideration is the need to take into consideration the Council's Digital Transformation Strategy and what progress will be made in the next two years that may allow a different approach at the end of the proposed contract. This includes considering issues such as payment compliance (PCI), cardless payments and payment integration, all of which favour remaining with our current supplier until we understand the implications it may have on our requirements for card payments.

**5.3** Owing to the limited and uncertain financial benefit of switching supplier and the factors affecting this activity resulting from any Digital Transformation project we recommend taking forward a two year contract with our current supplier Worldpay using the prices offered in Lot 3. This would still offer us savings of £10,200 p.a. (including a consequential £10 saving on the monthly PCI compliance fee) compared to our current expenditure.

## **6. Delegated functions**

**6.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution): 'To consider departures from Rules relating to financial and contractual matters if appropriate'.

<b>Financial and legal implications</b>	
Finance	The Worldpay proposal will generate a full year saving of £10,200 when compared with current costs.
Legal	A formal contract for these services will be entered into.

### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
climate change	x
data protection	x

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<b>List of background papers:</b>		
name of document	date	where available for inspection
None		

### **List of appendices**

None

arm/ph/re/cr/17/0008dhd1