

## Report of Recovery and Exchequer Services Manager

### Report to Chief Officer Financial Services

Date: 21<sup>st</sup> March 2021

### Subject: Award of contract for Merchant Acquiring services

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### Summary of main issues

1. The Director of Resources and Housing approved a Key Decision on 24<sup>th</sup> July 2020 to commence the re-procurement of Merchant Acquiring Services contract as current contractual arrangements expire on 31st March 2021.
2. The Services are required to enable the council to continue to collect revenue by debit or credit card through the full range of channels currently utilised throughout the Council and are therefore essential to the effective operation of Council services.

### Recommendations

1. The Chief Officer Financial Services is requested to approve the award of the contract to Worldpay Limited for a period of 4 years commencing on 1<sup>st</sup> April 2021. The award will be by direct call off from an existing Crown Commercial Services (CCS) framework arrangement 'Payment Acceptance' (RM6118) Lot 1 'Face to Face (F2F, Cardholder Present) & Card Not Present (CNP) Card Acquiring, Gateway & Alternative Payment Method (APM) Services'.

## **1. Purpose of this report**

- 1.1 This report is to seek approval from the Chief Officer Financial Services to procure the services of Worldpay Ltd by way of a direct call off from the CCS framework contract referred to in 1 above.

## **2. Background information**

- 2.1 The Council currently accepts payment by debit and credit cards for many different services through a full range of different payment channels and in the last year received over 1.7M card payments totalling over £97M.
- 2.2 The evaluation panel followed the CCS guidance to undertake an assessment of the quality and price submissions of the three providers on Lot 1 of the framework.
- 2.3 . In accordance with CCS evaluation guidance, the quality criteria of the three providers were assessed and scored.
- 2.4 However, on undertaking the the price evaluation, when the Councils transactions details were entered into the framework's charging schedule this revealed some anomalies which identified some formula errors within the pricing spreadsheet provided by Crown Commercial Services.

## **3. Main issues**

- 3.1 Whilst the evaluation by Crown Commercial Services had been completed on a 30/70 ratio of price to quality split, the detail within the framework guidance allows the Council to amend this in accordance with the Council's Contract Procedure Rules which require a minimum ratio of 40/60 price to quality (CPR 15.2).
- 3.2 Having received corrected documentation from Crown Commercial Services the evaluation of price and quality on the ratio of 40/60 resulted in Worldpay Ltd ranking first out of the 3 available providers.
- 3.3 Based on the pricing schedule it is estimated that using 2019/20 volumes a move to the new framework will deliver an annual saving of approx. £66K pa.
- 3.4 Additionally, Worldpay Ltd are our current providers and to continue with our existing providers delivers additional savings in both the resources and funding required to implement any changeover to a different provider.
- 3.5 The evaluation panel has therefore concluded that the award of contract to Worldpay Ltd represents the best value for money.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The procurement legal team have confirmed the Crown Commercial framework agreement and the call off terms and conditions of the framework are satisfactory and permit the Council to make a direct call off.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 Equality and Diversity have been considered but are not applicable for this decision.

### **4.3 Council policies and best council plan.**

4.3.1 The provision of facilities which enable payments to be made by card payments plays a key role in providing efficient payment methods which meet the needs of the public and furthermore support increased transition to self-service and on-line delivery.

4.3.2 **Climate Emergency**

Not relevant to this procurement

**4.4 Resources and value for money**

4.4.1 As previously mentioned above the move to on-line service delivery and associated payments assist services to provide improved efficiency.

4.4.2 Based on the estimated yearly savings of £66K this would result in savings of over £250K over the period of the contract.

**4.5 Legal implications, access to information, and call in.**

4.5.1 As the value of the contract is estimated to exceed £500K in accordance with CPR 3.1.6 the initial decision to procure was a key decision therefore the decision to approve the call off is a significant operational decision and not subject to call in.

4.5.2 The call off will be subject to a voluntary ten day standstill period and the contract award will not be made until such time as that period has expired, in line with the Public Contracts Regulations 2015.

**5. Conclusions.**

5.1 The call off from the Crown Commercial framework best meets the needs of the Council and potentially delivers savings over the period of the contract.

5.2 As Worldpay Ltd are our current providers there is no additional requirement on staffing and financial resources to implement a change in provider.

**6. Recommendations**

6.1 The Chief Officer Financial Services is requested to approve the award of the contract to Worldpay Limited for a period of 4 years commencing on 1<sup>st</sup> April 2021. The award will be by direct call off from an existing Crown Commercial Services (CCS) framework arrangement 'Payment Acceptance' (RM6118) Lot 1 'Face to Face (F2F, Cardholder Present) & Card Not Present (CNP) Card Acquiring, Gateway & Alternative Payment Method (APM) Services'.

**7. Background documents**

7.1 None