

Record of operational decision

Decision title:	Decision to extend contract for Card Payment Service Provider.
Date of decision:	20 October 2022
Decision maker:	Corporate Director, Economy and Environment
Authority for delegated decision:	Chief Executive Scheme of Delegation – Updated 7 June 2021 line SA59 Director of E&E Contract Procedure Rules 4.6.32
Ward:	Countywide
Consultation:	None undertaken, this is an administrative function of the council for officers to discharge. Appropriate internal advice is set out below.
Decision made:	To approve an extension to the contract for card payment services to Planet (formally 3C Uk Ltd) for the provision of card payments from parking machines for a period of 3 years to the value of £170k.
Reasons for decision:	<p>The council has an existing contract in place as set out in the below decision: Decision - Direct award of contract to payment service provider and acquiring merchant bank for processing parking pay and display credit/debit card transactions - Herefordshire Council</p> <p>Suppliers in this market only have PCI compliance to use certain accredited hardware, the hardware operated by the council (ATOS terminals) on its payment machines only allow for the current Payment Service Provider (PSP) to process payments.</p> <p>If the council were to change the current hardware so that another PSP can process payments, the cost of replacing the devices is far in excess of any potential saving, if any. Therefore, the most economic option for the council at this stage is to remain with the current provider, using the current devices. There is no reason why any of the current devices should be changed given that they are all in full working order and they are expected to remain so throughout this extended contract.</p>
Highlight any associated risks/finance/legal/equality considerations:	<p>Risks – as the terminals come to the end of their life (installed 2014) they may need replacing. If they do, then a further competitive assessment can be undertaken at the point that hardware is required and if necessary a secondary contract set up.</p> <p>Finance – The costs for processing cards are within agreed parking budgets.</p> <p>Legal – As the extension of the contract represents a greater than 50% increase in contract value and the new total contract value will be above the UK Procurement Thresholds it is not possible for a waiver from the council’s contract procedure rules to be considered. This also means that there is a risk of challenge from a “disappointed” party if this extension had been tendered. It is understood that the incumbent provider is the only current provider who can provide the solution and therefore the risk of</p>

	<p>challenge is considered low. Prior to the end of the contractual term Legal Services anticipate that a fully compliant procurement exercise to be run to award the contract going forward.</p> <p>Equality – there are no equality implications in approving this decision.</p>
Details of any alternative options considered and rejected:	<p>The current contract is expiring, and the council will move to a rolling 30 day contract with the current supplier. Card devices may be removed from machines, however this is not recommended as it is likely to lead to a significant loss of income, and an increase in cash payments and their associated handling costs.</p>
Details of any declarations of interest made:	<p>None</p>

Signed..... Date: