

# Report to Cabinet

**24 February 2021**

<b>Subject:</b>	New Contract Award for the Provision of Merchant Acquiring Services
<b>Cabinet Member:</b>	Cllr Ali – Cabinet Member for Resources and Core Services
<b>Director:</b>	Rebecca Maher – Acting Director of Finance
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Clare Sandland, Service Manager (Finance) <a href="mailto:Clare_sandland@sandwell.gov.uk">Clare_sandland@sandwell.gov.uk</a>  Carol Wintle Procurement Business Partner <a href="mailto:Carol_wintle@sandwell.gov.uk">Carol_wintle@sandwell.gov.uk</a>

## 1 Recommendations

- 1.1 That approval be given to award a contract to Global Payments for the provision of Merchant Acquiring Services for the period 1 March 2021 to 28 February 2025, at a cost that is partially variable and linked to the number of card transactions processed, based on current usage of 356,308 transactions processed the annual cost is £214,033, but if the number of transactions processed increased by 5% the cost would be £223,232 and if the number of transactions processed increased by 10% the cost would be £233,862.
- 1.2 That in connection with 1 above, the Director of Law & Governance be authorised to enter into an appropriate contract with Global Payments.



## 2 Reasons for Recommendations

- 2.1 The Council has a requirement to establish a new contract for the provision of Merchant Acquiring Services.
- 2.2 A review of Crown Commercial Services Framework RM6118 has been undertaken by Procurement Services to assess its suitability and supplier price structure. The framework agreement has been established in full accordance with EU Procurement Regulations.
- 2.3 The Framework has three service providers (Barclays, Worldpay and Global Payments). A comparison was undertaken of their pricing structures and the most competitively priced provider was Global Payments.
- 2.4 Fixed Charges and Transaction Charges for each of the three service providers is as follows;

Charge Item	Global Payments	Barclaycard	World Pay
Card Acquiring fees	£444	£180.00	£500.00
Interchange fees	£0	£0.00	£0.00
Scheme fees	£0	£0.00	£0.00
Gateway & APM Service fees	£0	£750.00	£500.00
Card Acquiring Equipment fees	£0	£0.00	£25.00
Fraud Avoidance fees	£0	£0.00	£0.00
<b>Total Fixed Fees</b>	<b>£444</b>	<b>£930</b>	<b>£1,025.00</b>
Transaction Charges	£0.0250	£0.0560	£0.0500



### 3 How does this deliver objectives of the Corporate Plan?



#### **A connected and accessible Sandwell**

The use of a merchant acquiring service allows Sandwell MBC to accept card payments for goods and services.

### 4 Context and Key Issues

4.1 Global Payments have been providing card payment processing services to the Council for nearly 22 years (since May 1999). The current contract expired in June 2020. The price comparison of three major suppliers was undertaken by the procurement partner who is satisfied that the most competitively priced provider is Global Payments.

### 5 Alternative Options

5.1 The alternative is not to renew the current contract and move into a yearly 'rolling status', which will not comply with the Council's procurement policy. The other alternative is to not accept card payments for goods and services provided by the Council, which wouldn't comply with Council priorities.



## 6 Implications

<b>Resources:</b>	Resource implications are contained within the main body of the report.
<b>Legal and Governance:</b>	The Council must comply with Public Contracts Regulations 2015 and the Council's own Procurement and Contract Procedure Rules 2018/19. The Crown Commercial Services framework agreement has been reviewed by Procurement Services who confirm it has been established in full accordance with EU Procurement Regulations. Due to the annual value of this contract Cabinet approval is required to enter into a contract with Global Payments.
<b>Risk:</b>	None identified.
<b>Equality:</b>	There is no requirement to conduct an Equality Impact Assessment.
<b>Health and Wellbeing:</b>	None identified.
<b>Social Value</b>	This contract will ensure that the people of Sandwell have choice in how to pay for the goods and services that they receive.

## 7. Appendices

None

## 8. Background Papers

None

