

REPORT

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE	Subject: TENDER FOR THE PROVISION OF PLASTIC SWIPE CARDS AND POST OFFICE TRANSACTIONS
From: DIRECTOR OF FINANCE	
Date: 14 March 2006	Ref: AC/BC

1 Purpose of Report

- 1.1 This report informs Committee of the decision to award the contract for the provision of Swipe Cards for payment of accounts (including Rent, Council Tax), by magnetic Swipe Card at the Post Office.

2 Introduction

- 2.1 The current contract is due for renewal on 1st April 2006, and requires to be continued. Tenders were sought for a two year period with a possible extension of one year depending on the satisfactory performance of the successful service provider.
- 2.2 The Authorities Buying Consortium in consultation with the Finance Revenue Services staff, prepared and packaged the tender documentation and in open competition received 4 interested parties submitting tenders.
- 2.3 Tenders for both card supply and Post Office transactions were returned from:-

Alliance & Leicester Commercial Bank
All Pay
Co-Op Bank
- 2.4 A further tender for the supply of swipe cards only was returned from Custom Cards.
- 2.5 All tenders were evaluated by the Income Manager, the Chief Area Office Manager, and the Systems Development Manager, who confirmed that all tenderers would be able to fulfil the requirements of the contract.

2.6 The cost of all tenders for the duration of the contract is as follows:-

	Post Office Transactions	Swipe Card Supply
Alliance & Leicester Commercial Bank	530,677.50	39,000.00
Co-Op Bank	530,557.00	58,140.00
All Pay	553,523.00	45,600.00
Custom Cards	—————	23,116.20

2.7 To provide continuity of service the Convenor approved that the Post Office and PayPoint transactions be awarded to the Co-Op Bank for the sum of £530,557.00 along with the supply of cards to Custom Cards at a cost of £23,116.20, for a two year period commencing 1st April 2006.

3 Savings

3.1 The savings below are based on anticipated Post Office transactions of 650,000 and replacement swipe cards of 30,000 per year.

3.2 The current cost per Post Office transaction amounts to £0.496, and the new cost is £0.395, a saving of £0.101 will be made on each transaction. Therefore, the annual savings amounts to £65,650.

3.3 The current cost of swipe cards is £0.58 per card, and the new cost is £0.39 per card, giving a saving of £0.19 per card. Therefore, annual savings amount to £5,700.

4 Recommendation

4.1 The Committee is asked to homologate the award decision.

4.2 Note the savings of £142,000 over the two years of the contract.

4.3 Note that dependant on the satisfactory performance of the contract over the two years, the Policy and Resources (Finance) Sub Committee will have the option to extend the contract for a further year.



Director of Finance

Members wishing further information please contact Mr Brian Cook, Head of Revenue Services, Tel:- 01698 – 302801.