

The Vale of Glamorgan Council

Cabinet Meeting : 7th January 2019

Report of the Leader

New Income Management System and Payment Card Industry Data Security Standard (PCI DSS) Compliance

Purpose of the Report

1. To obtain Cabinet approval to award the contract for the supply of a replacement Income Management system, which will have additional functionality to the current system and to aid the achievement of Payment Card Industry Data Security Standard (PCI DSS) compliance.

Recommendation

1. That Cabinet notes the report and considers together with the Part II report appearing later on this agenda.

Reason for the Recommendation

1. To allow the Part I and II reports to be considered together and to permit the execution of formal contracts between the Council and the successful supplier.

Background

2. The Payment Card Industry Data Security Standard (PCI DSS) is a set of standards designed to keep credit and debit card payment data safe and secure. Non-compliance to PCI DSS will leave the Council liable for fines following any breach or theft of payment card data. Achieving compliance is complex and not only requires technical solutions but also requires the audit of operational processes undertaken by staff handling payment card data.
3. While steps have been taken towards achieving compliance, the Council is currently still only deemed 74% compliant. In order to achieve full compliance, the Council will either have to invest significant sums on technical solutions such as its network infrastructure or remove all payment card data from its network infrastructure by outsourcing this element of the processing to a hosted solution.
4. The Council's current Income Management system is PARIS which was provided by Northgate Public Services, however, in May 2018 the Council was advised that the system had been sold to Civica.

5. In line with the Council's Digital Strategy and its Income Generation Strategy, the development of an improved income collection facility via the Council's website needs to be implemented and expanded to incorporate other services such as the ability to undertake the booking of facilities and services. This cannot be facilitated by the current system.
6. The contract for the current PARIS system ends in October 2019 and the Council has to give 7 months' notice to terminate the contract.

Relevant Issues and Options

7. The new solution will need to be hosted in a secure, PCI DSS compliant remote data centre held on remote servers which can be accessed by the Council, thus ensuring that Cardholder data is not stored or processed on the Council's network infrastructure/systems. Users of the system would not see significant change when using the system. However if any issues arose, currently System Administrators would speak to the Council's IT department for support, but in future System Support issues would be logged and resolved directly with the host provider.
8. The hosted service will cover payments received via the internet and Interactive Voice Response (IVR), whereby customers make payments via the automated telephone payments service. It will also cover PCI DSS compliant chip and pin machines and payments taken over the telephone which involve interaction with Council staff. In the latter case, calls would be transferred to a facility provided by the host provider to process card payment details for settlement of payment however Council staff would still be able to keep in voice contact with the customer during this process (referred to as Mid Call).
9. It is anticipated that the implementation would take approximately 6-9 months to complete. It will be complex as the Income Management system interfaces with several other systems operated by both the Council and by third parties. As part of the implementation, interfaces between payment channels and VOG's network will need to be changed to connect to the externally hosted system to exchange information.
10. The proposals above on their own do not make the Council PCI DSS compliant. The Council will need to continue to ensure that its infrastructure and operational procedures are in place to meet the required standards to ensure full compliance.
11. The new solution also needs to include an improved way of taking payments from customers through the internet via an E-store solution which can be amended, upgraded and maintained by Council staff without input from the host provider.
12. The Council's Digital Strategy 2017 - 2020 was approved by Cabinet on 31st July 2017. The Digital Programme has a list of requirements for any future income receipting system which should include wireless chip and pin, mobile payments, e-shop functionality. The new solution needs to be able to offer such functionality.
13. It is intended to direct award a call-off contract for the new system through Crown Commercial Services Framework RM1059. Officers from Accountancy, IT, Income Management and Business Improvement attended demonstrations of Income Management systems listed on the framework and the functionality of the systems has been assessed against the Council's current and future requirements and the ease of integration of the solution with other development opportunities has been considered. The Council's Procurement Officer has been consulted in respect of the assessment carried out.

Resource Implications (Financial and Employment)

14. It is intended that there be a direct award via the Crown Commercial Services Framework RM1059. It is proposed that the contract is awarded for a 5 year period due to the cost and staffing resources required to implement such a system. In addition to the implementation and system costs, the Council will also have to pay a transaction charge based on a combination of the number or value of transactions that are processed through the various payment channels.
15. To ensure a smooth transition during this process, resource will need to be made available to carry out the implementation and thorough testing of the replacement income management system.

Sustainability and Climate Change Implications

16. As detailed in the body of the report.

Legal Implications (to Include Human Rights Implications)

17. The Council will be required to enter into a call-off contract with the successful supplier for the supply of an Income Management system under the terms and conditions of the Crown Commercial Services Framework Agreement RM1059.
18. Under this framework agreement, it is possible to call-off the provision of certain software systems via a direct award procedure if the framework evaluation criteria has been applied.
19. In following the call-off process under a Crown Commercial Services Framework Agreement, the contract award is compliant with EU procurement law. Further, the procurement is in accordance with the Council's Contract Procedure Rules and Procurement Code of Practice.

Crime and Disorder Implications

20. There are no crime and disorder implications.

Equal Opportunities Implications (to include Welsh Language issues)

21. There are no equal opportunity implications.

Corporate/Service Objectives

22. Effective monitoring assists in the provision of accurate and timely information to officers and Members and in particular allows services to better manage their resources.

Policy Framework and Budget

23. This report is for Executive decision by the Cabinet.

Consultation (including Ward Member Consultation)

24. This report does not require Ward Member consultation.

Relevant Scrutiny Committee

25. Corporate Performance and Resources

Background Papers

None

Contact Officer

Carolyn Michael, Operational Manager - Accountancy

Officers Consulted

Senior Business Improvement Partner
Procurement Officer
Operational Manger - Legal Services

Responsible Officer:

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