Glasgow City Council

Contracts and Property Committee

Report by Director of Legal and Administration

Contact: Maureen Fitzpatrick Ext: 76406

Item 10

26th November 2026

The Provision of Payment Acceptance Services

Tender Reference:- GCC006406CPU

Purpose of Report:

To submit details of the Direct Award of contract for provision of payment acceptance services and recommend acceptance of the award of a contract as detailed in this report.

Recommendations:

The Contracts and Property Committee is requested to approve the Direct Award of a contract for the provision of payment acceptance services to the supplier listed below.

Worldpay (UK) Limited
Companies House Number - 07316500

Ward No(s): Xxxxxxxx Citywide: ✓

Local member(s) advised: Yes ☐ No x consulted: Yes ☐ No ☐

1 Background and Tender

1.1 Glasgow City Council's ("the council's") annual spend for the provision of payment acceptance services is £866,000. This figure includes Glasgow Life's annual spend of £166,000.

1.2 The council has an ongoing requirement for payment acceptance services. These enable acceptance of payment by debit and credit cards, providing the necessary link between the council (the merchant), card issuing companies (Visa and Mastercard) and the payment cardholder's bank. The services also include the provision and maintenance of chip and PIN devices and for some council web payment services such as provision of a 'front end' gateway for the customer.

1.3 The above supports the processing, authorisation and settlement of customer card payments made in person, online or over the phone. The council requires these services to be provided without interruption, 24/7, 365 days per year as it underpins the collection of income for payment streams such as Council Tax and Non-Domestic Rates.

1.4 The Chief Executive Officers Management Group, which is made up of six local authorities (Glasgow, Renfrewshire, Aberdeen, Dundee, East Ayrshire and the Scottish Borders) requested Scotland Excel to identify potential Strategic National Saving opportunities which could be implemented throughout Local Authorities in Scotland. One of these opportunities was to aggregate the provision of payment acceptance services to deliver additional benefits, via leverage of spend, to councils and other public bodies. It should be noted that the aggregation exercise focussed specifically on the card acquiring element of the services offered under the framework.

1.5 Scotland Excel (SXL) collaborated with the Government Commercial Agency (GCA) who facilitated the competitive procurement exercise which created a cluster agreement with Worldpay (UK) Limited, under the terms of the GCA Payment Acceptance 2 Framework, Lot 1 – Payment Acceptance Services, reference RM6325. This cluster agreement would provide local authorities with a better transaction rate through leveraged pricing. Participating authorities joining the cluster agreement will benefit from leveraged pricing and the rate applied will be calculated on the total cluster spend value rather than the individual local authorities spend.

1.6 A commodity team consisting of stakeholders from Financial Services and the Corporate Procurement Unit (CPU) was formed to develop the sourcing strategy and deliver a new contract.

1.7 In line with the effective and efficient objective within the council's Sustainable Procurement Strategy 2023-2027, which can be located here, and to support the national agenda in utilising national collaborative frameworks, it was agreed that a Direct Award of contract via the cluster agreement, as set out in paragraph 1.5, would be the most appropriate method to deliver this contract.

In line with terms of the framework, each local authority participating in the agreement is required to contract directly with the supplier.

1.8 The contract will start on 1 January 2027 to 24 August 2028. SXL have the option to extend the cluster arrangement for an additional 12-month period taking the end date of contract to 23 August 2029.

1.9 The contract will be utilised by departments across the council as well as Glasgow Life and City Property (Glasgow) LLP.

2 GCA Evaluation

2.1 All 4 suppliers from Lot 1 of the GCA framework were invited to bid. Of the 4, 2 suppliers submitted a bid under the aggregation exercise. The remaining 2 suppliers who did not submit a bid did not provide a reason for non-participation in the exercise.

2.2 The GCA aggregation exercise evaluation was based on the following award criteria and weightings: -

Price	Quality	Sub Criteria
60%	40%	Onboarding and Implementation
		Transaction Approval Rates including Monitoring and Improvement of payment success
		Management Information and Reporting
		Incident Management
		Settlement and Reconciliation
		Social Value

2.3 The table below shows the evaluation score achieved in the GCA aggregation exercise by the supplier recommended for the council's direct award, together with the estimated annual value of the council's proposed contract. The evaluation score relates to the GCA exercise and is not a separate council evaluation score.

Framework Lot	Description	Supplier	Total Evaluation Score	Estimated Annual Value	Rank
1	Payment Acceptance Services	Worldpay (UK) Limited	95.12	£900,000	1

A summary of the unsuccessful supplier's evaluation result from the GCA aggregation exercise is provided at Appendix A. This is provided for

transparency on the competition underpinning the proposed award; it does not represent a separate competition undertaken by the council.

3 Best Value Assessment

3.1 The proposed council contract draws on a cluster agreement established through a competitive tender exercise outlined in section 2 and supports assurance on best value.

3.2 A commercial benchmarking exercise compared current contractual rates with cluster agreement rates and, for requirements not directly covered by the cluster agreement, framework rates. Where rates were available, the comparison indicated an initial increase of 12.4% for the first seven months. From month eight, the council is estimated to benefit from leveraged pricing, with a projected saving of 30.2%. These percentages relate to the benchmarked rates and should not be read as a confirmed change in the total annual contract cost.

3.3 The council's existing rates date from 01 January 2023 and were reflective of the Crown Commercial Services framework rates at the point of award of contract, approximately 4 years ago and were fixed for the duration of the contract period. A new Government Commercial Agency framework has subsequently been put in place to replace the now expired framework and the agreed rates from this new framework will represent the rates payable in the initial 7-month period of the contract. There are a number of market pressures including technology and infrastructure costs, fraud prevention and cybersecurity, regulatory and compliance costs, service and support costs, market consolidation and competitive dynamics, Wage and general operating cost inflations and increased service complexity.

4 Contract implementation and Supplier Management

4.1 The outcome of our Contract Management Assessment Tool (CMAT) has deemed this contract to be categorised as a medium. The supplier will be monitored in line with our contract and supplier management process which includes tracking the supplier's performance against the key performance indicators and working collaboratively to identify opportunities of improvement and innovation.

4.2 There will be no transition/mobilisation time implications or costs as the supplier recommended for award is the council's incumbent supplier.

4.3 The agreed community benefit outcome commitments will be monitored via Cenefits which is a web-based monitoring tool. We will also capture sustainable commitments within the CPU Sustainable Register.

4.4 The Purchase to Pay route is Direct Debit.

5 Policy and Resource Implications

Resource Implications:

Financial:	The estimated annual value is £900,000, totaling £2,400,000 over the 32-month duration of the contract. This will be met by the service area's revenue budget. As described in paragraph 3.2, there is a 12.4% increase in the rates benchmarked for the first seven months and a projected saving of 30.2% from month eight through access to leveraged cluster pricing. Community Benefits was covered under the cluster agreement, through the Social Value award criteria question which carried a weighting of 10%. As part of the contract the council shall request delivery of outcomes from the supplier recommended for award, Worldpay (UK) Limited. Based on the estimated contract spend, the Council will require the supplier to deliver Community Benefits outcomes equivalent to 360 Community Benefits Points (CBPs) over the potential lifetime of the contract. This comprises 300 CBPs for the initial contract period and a further 60 CBPs should the cluster agreement be extended. CBPs provide a means of measuring community benefit commitments, with different activities and outcomes attracting an allocated number of points. Appendix B provides examples of the Community Benefits outcomes relevant to this contract and their associated CBP values. The specific outcomes to be delivered will be agreed with the supplier prior to contract commencement.
Legal:	The report raises no new legal issues. The Director of Legal and Administration will be responsible for concluding the contract.
Personnel:	No direct personnel implications.
Procurement:	A direct award of contract as set out in paragraph 1.7.

Council Strategic Plan: This supports Grand Challenge 4.

Equality and Socio-Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2025-29

Yes - the Sustainable Procurement Duty requires that before a contracting authority buys anything, it must think about how it can improve the social, environmental and economic wellbeing of the area in which it operates, with a particular focus on reducing inequality.

What are the potential equality impacts as a result of this report?

An EQIA was not required for this contract as there is no impact.

Please highlight if the policy/proposal will help address socio economic disadvantage.

Fair Work First was not included as part of the direct award criteria, however, contact was made with the supplier to request information in connection with Fair Work First principles and Fair Work Practices.

The supplier recommended for award, Worldpay (UK) Limited, has confirmed the following policies within its tender submission;

- Provide appropriate channels for effective workers voice
- Investment in workforce development
- No inappropriate use of zero-hour contracts
- Action to tackle the gender pay gap and create a more diverse and inclusive workforce
- Offer flexible and family friendly working practices for all workers from day one of employment
- Oppose the use of fire and rehire practice

Community Benefits were included as part of the tender process through the Social Value award criteria question. The supplier recommended for award, Worldpay (UK) Limited, has confirmed its commitment to deliver community benefits under the cluster agreement. The council has calculated that over the lifetime of the contract, based on the estimated spend, that the council shall seek delivery of outcomes to the value of 360 CBPs, this will be through delivery of 300 CBPs under the initial contract period with an additional 60 CBPs delivered in the extension

	period should this be taken up by SXL. Work to confirm outcomes is underway and shall be agreed prior to contract commencement.
Climate Impacts: *Does the proposal support any Climate Plan actions? Please specify:*	Yes – objective 4 Action 2 is supported via this contract.
What are the potential climate impacts as a result of this proposal?	As this service is predominately a digital service the potential climate impacts would be through electricity consumption and the associated greenhouse gas emissions which may be generated through operation of these services. However positive impacts include the switch to and expansion of digital mediums for payments and changes in payment behaviour may mitigate emissions associated with journeys linked to manual payments.
Will the proposal contribute to Glasgow's net zero carbon target?	There is potential that the mitigations outlined above may contribute towards Glasgow's net zero carbon target.
Privacy and Data Protection impacts:	
Are there any potential data protection impacts as a result of the report Y/N	Yes
If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out	As part of the procurement process a data protection impact screening questionnaire has been undertaken and this has indicated that a full data protection impact assessment (DPIA) requires to be completed. This task is underway; it is anticipated that the DPIA will require the recommended supplier for award to sign a data sharing agreement.

6 Recommendations

The Contracts and Property Committee is requested to approve the Direct Award of a contract for the provision of payment acceptance services to the supplier listed below.

Worldpay (UK) Limited
Companies House Number – 07316500

Appendix A – Unsuccessful Supplier's Score

Supplier	Evaluation Score	Rank
Lloyds Bank Plc	80.29	2

Appendix B – Community Benefits Menu example

Theme - Recruitment & Employment (EMP)		
Outcome Ref No	**Benefit Outcome**	**Community Benefit Points Value**
EMP01	New Employee - Full Time Job (from Priority Group)	120
EMP02	New Employee - Full Time Job (non Priority Group)	80
EMP03	New Employee - Part Time Job (from Priority Group)	60
EMP04	Apprentice New Start - Full Time (from Priority Group)	80
EMP05	Apprentice New Start - Part Time (from Priority Group)	40
EMP08	Apprentice Transferred - Full Time	40
EMP09	Apprentice Transferred - Part Time	20
EMP10	New Employee - Part Time Job (from non Priority Group)	40
EMP13	Apprentice New Start - Full Time (from non Priority Group)	40
EMP16	Apprentice New Start - Part Time (from non Priority Group)	20

Theme - Skills & Training (SKL)		
Outcome Ref No	**Benefit Outcome**	**Community Benefit Points Value**
SKL01	MCR Pathways 1-2-1 Mentoring Programme (or equivalent Programme)	100
SKL02	School Mentoring or Enterprise Programme	40
SKL03	Work Experience Placement - Foundation Apprenticeship	60
SKL04	Taster Sessions (Council or Delivery Partner Programmes)	20
SKL05	Work Experience Placement - School	20

SKL06	Work Experience Placement - Non School	20
SKL07	Career Event	20
SKL08	Workplace Visit	20
SKL10	Work Experience Summer Placement (Paid)	40
SKL11	Qualifications Achieved	20

Theme - Supply Chain Development (CHN)		
Outcome Ref No	**Benefit Outcome**	**Community Benefit Points Value**
CHN01	Supply Chain Briefings	40
CHN02	Business Mentoring	40
CHN03	Supply Chain Initiatives	40

Theme - Community Engagement (COM)		
Outcome Ref No	**Community Engagement [non wishlist]**	**Community Benefit Points Value**
COM01	Community Engagement - Financial Support - [min. of £1,000]	20
COM02	Community Engagement - Non-Financial Support - [min. of 5 hrs]	20